

GENERAL BUDGET INFORMATION

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BOARD OF SUPERVISORS AND COUNTY OFFICIALS



THE BOARD OF SUPERVISORS



DISTRICT 1
Phil Serna



DISTRICT 2
Jimmie Yee



DISTRICT 3
Susan Peters



DISTRICT 4
Roberta
MacGlashan



DISTRICT 5
Don Nottoli



County Executive
Bradley J. Hudson



County Counsel
Robert A. Ryan, Jr.



**Chief Operations
Officer**
Navdeep S. Gill

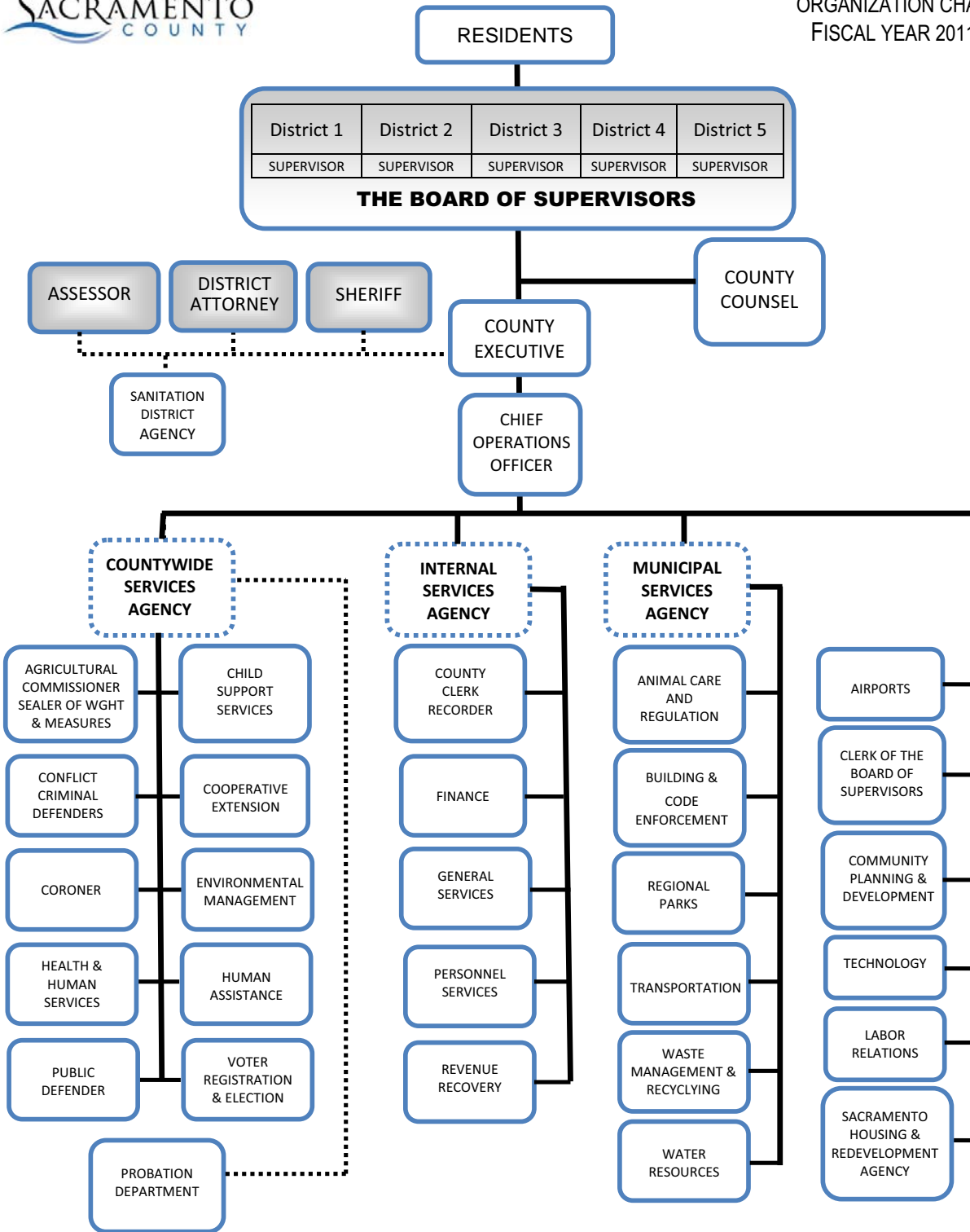


Clerk of the Board
Cindi Lee

ORGANIZATION CHART



ORGANIZATION CHART
FISCAL YEAR 2011-12



Legend

- Indicates Line of Direct Authority
- Indicates Coordinative Relationship
- Indicates Elected Officials

SACRAMENTO COUNTY
700 H STREET SACRAMENTO, CALIFORNIA 95814-1280

Updated 7/13/2011
Prepared by CEO Office

LETTER FROM CHAIR, BOARD OF SUPERVISORS



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CHAIR BOARD OF SUPERVISORS COUNTY OF SACRAMENTO

700 H STREET, SUITE 2450 SACRAMENTO, CA 95814

November 1, 2011

TO THE PEOPLE OF SACRAMENTO

The Sacramento County Board of Supervisors is proud to present to you the County's Fiscal Year 2011-12 Adopted Budget. The County Budget is the financial and operating plan for the provision of services to you by the County and by the special districts governed by the Board of Supervisors.

The County budget was developed through an open and public process which assures that the community members have the opportunity to be heard and participate. The Board conducted hearings in June and September. The Board adopted a balanced budget designed to continue delivering quality services to residents and businesses of the county despite the current economic downturn.

Initial budgets included service reductions in most County programs funded by the General Fund and in some departments that are self funded. The Board chose to mitigate as much of the program reductions as possible through cost reductions.

Should you desire further information regarding the Fiscal Year 2011-12 Adopted Budget or the County's budget process, please contact your County Supervisor (874-5411) or the Office of the County Executive (874-5833).

Sincerely,

ROBERTA MACGLASHAN, Chair
Board of Supervisors, District 4

COUNTY VISION, MISSION AND VALUES

VISION

A vision is a compelling conceptual image of the desired future.

This statement describes “what we want to be” in the twenty-first century.

Our Vision is for Sacramento County to be:

- The most livable community with the highest quality public service

MISSION

Our mission statement defines why our organization exists.

It describes what we want to do for the community.

Our Mission for Sacramento County is to:

- Improve quality of life in the community
- Promote individual responsibility and achievement
- Protect one another and the environment we share
- Provide innovative and cooperative quality customer service
- Recognize and seize opportunities for improvement
- Stimulate economic growth and regional cooperation

VALUES

These values are the basic principles and beliefs for the County of Sacramento.

They govern the way we make and carry out our decisions.

Our Values for Sacramento County are:

- Trust
- Dignity and respect for the individual
- Customer service
- Partnership
- Empowerment
- Continuous improvement
- Personal and professional growth
- Respect for cultural and ethnic diversity

SUMMARY OF 2011-12 ADOPTED BUDGET

The Introduction is a brief summary of Sacramento County's Annual Budget as adopted by the Board of Supervisors after legally required public hearings held in September 2011. The Introduction provides the reader with a guide to the contents of the larger document by summarizing information in the following sections:

- I. Budget Document Content
- II. Summary of the Adopted Final Budget
 - The General Fund, Programs, Financing, and Fund Balance Changes
 - Other Funds Subject to Appropriation (Other Governmental Funds)
- III. Five-Year Capital Improvement Plan
- IV. County Executive's Recommended Fiscal Year 2011-12 Budget Report

I. Budget Document Content

The County's annual budget document includes fiscal and operational information on county operations and those special districts and enterprises governed by the Board of Supervisors. It consists of several general sections including:

- General Budget Information summarizes the Adopted Budget and presents the County Executive's Recommended Budget. The Recommended Budget report may be viewed or downloaded at the following county Web site: <http://www.budget.saccounty.net/index.htm>. This section also includes a summary of the budget policies/process; the basis of budgeting; information about the County, major funds, major revenue trends, a summary of authorized staffing levels, and summaries of appropriations and financing. (See section "A-General Budget Information")
- State-determined Program Areas and Revenue Summary Schedules (tables) listing the financing and requirements for county funds, and appropriations in governmental funds. (See section "B-Summary Schedules")
- Summary of Positions giving the authorized staffing levels by budget unit. (See section "C-Summary of Positions")
- Detailed information (the budget messages) on the various budget units making up the overall county budget. This information is organized into the following five sections that reflect the organizational structure of the County (see page A-3 for Organizational Chart).
 - Elected Officials (See Section D)
 - General Government/Administration (See Section E)
 - Internal Services Agency (See Section F)
 - Countywide Services Agency (See Section G)
 - Municipal Services Agency (See Section H)
 - Sanitation Districts Agency (See Section I)
- The Five-Year Capital Improvement Plan (CIP) is also included as part of the budget document (see Volume II). Annually, the Board of Supervisors holds a separate hearing on the Five-Year Capital Improvement Plan.

II. Summary of the Adopted Final Budget

Final Budget Hearings were held in September 2011. As part of these hearings the Board of Supervisors adopted the County Executive’s Recommended Budget totaling \$3.63 and is reflected in the table below. The adopted budget reflects reductions of less than one percent (\$0.05 billion) from the Fiscal Year 2010-11 Final Budget of \$3.63 billion. The Governmental Funds and Special Districts and Other Agencies reductions of \$0.42 billion were offset by Internal Service and Enterprise Funds increases of \$0.37 billion.

Total County Budget by Fund Type

	AMOUNT	PERCENT
General Fund	\$1,935,002,396	53.4
Special Revenue Funds	335,119,903	9.2
Capital Project Funds	51,516,042	1.4
Debt Service Funds	61,487,909	1.7
Subtotal - Governmental Funds	2,383,126,250	65.7
Internal Service Funds	445,792,718	12.3
Enterprise Funds	473,355,488	13.1
Special Districts and Other Agencies	323,284,716	8.9
TOTAL	\$3,625,559,172	100.0

The General Fund, Programs, Financing, and Fund Balance Changes

The overall authorized spending for departmental programs and the contingency is approximately \$1.94 billion. As reflected in the table above the General Fund is the largest county fund. Support for the General Fund is detailed in the following table:

Financing Source	Amount
Departmental Revenue	\$1,463,781,549
Local Revenue	459,867,166
Reserve Release	1,950,146
Fund Balance	9,403,535
Total	\$1,935,002,396

The General Fund supports the majority of county services and nearly three-quarters of county employees providing both countywide and municipal services. As a California county, Sacramento County provides countywide human services, and law and justice services. The human services include human assistance aid, foster care, public health, mental health, and protective services. The countywide law and justice services include prosecution, adult and juvenile detention (jails), coroner services, and legal defense.

**GENERAL BUDGET
INFORMATION**

SUMMARY OF 2011-12 ADOPTED BUDGET

The majority of General Fund appropriations cover employee salary and benefit costs. The following table illustrates the classification of appropriations:

Appropriation Type	Amount (In millions)	Percent
Salaries and Benefits	\$ 1,001.5	52.3
Welfare Aid Payments	382.3	19.7
Other Charges	309.0	16.9
Services and Supplies	253.4	13.1
Internal Charges	133.5	6.9
Debt Service	9.3	0.5
All Other	(170.6)	(8.8)
Total	\$ 1,935.0	100.0

The following tables summarize the net cost of the General Fund programs that are financed from local resources after all the reductions were adopted. It compares the Fiscal Year 2011-12 Adopted Budget for the General Fund by Agency to the Fiscal Year 2010-11 Final Adopted Budget:

ADOPTED BUDGET NET COST COMPARISON
(Amounts Expressed in millions)

Program	2011-12 Adopted Budget Net Cost	2010-11 Adopted Budget Net Cost	Year to Year Variance
Elected Officials			
Assessor	\$ 8.0	\$ 9.4	\$ (1.4)
Board of Supervisors	2.8	2.4	0.4
District Attorney	42.1	41.5	0.6
Sheriff	159.3	164.7	(5.4)
Correctional Health Services	15.2	16.5	(1.3)
Subtotal	227.4	234.5	(7.1)
Countywide Services			
Child Support Services	0.0	0.0	0.0
Health and Human Services	27.6	31.6	(4.0)
Health Treatment Account	20.5	24.1	(3.6)
Human Assistance-Admin.	9.3	8.9	0.4
Human Assistance-Payments	31.4	38.6	(7.2)
IHSS Provider Payments	7.7	9.8	(2.1)
Probation	51.2	57.5	(6.3)
Public Defender	27.9	27.1	0.8
Other	59.8	61.8	(2.0)
Subtotal	235.4	259.4	(24.0)

General Government/COO	21.6	23.8	(2.2)
Internal Services	0.3	0.6	(0.3)
Municipal Services	4.9	6.8	(1.9)
Contingencies	1.8	2.0	(0.2)
Reserve Increases	2.9	0.3	2.6
Total	494.3	527.4	33.1

Generally, all departments have had their recommended net cost either reduced or increased only slightly to offset mandated costs.

Countywide Services consume approximately half the local revenue resources, primarily for mandated services. Municipal Services, Internal Services, and General Government are allocated together at only 5.4 percent of the local revenue resources, although this picture is skewed by the mixed services (Municipal and Countywide) provided by Assessor, District Attorney, and the Sheriff. The Board, Assessor, and District Attorney Offices' provide countywide services, but much of the allocation to the Sheriff's Department is for municipal services.

General Purpose Financing

General Purpose Financing is the source used to fund the net cost of the various programs. The following table details the year-to-year recommended changes in general purpose revenues:

General Purpose Revenues (Amounts Expressed In Millions)			
	2011-12 Adopted Budget	2010-11 Adopted Budget	Year to Year Decrease / (Increase)
Property Taxes *	\$ 202.3	\$ 205.6	\$ 3.3
Property Tax In Lieu of Vehicle License Fees	126.7	130.4	3.7
Sales Tax & In Lieu Sales Tax	62.4	58.7	(3.7)
Utility Tax	16.1	15.8	(0.3)
Fines & Penalties	16.6	17.0	0.4
Property Transfer Tax	6.0	6.0	0.0
Franchises	5.0	5.0	0.0
Revenue Neutrality & Transition	16.2	16.9	0.7
Operating Transfer In	0.0	18.0	(18.0)
Other Revenues & Costs	36.7	32.3	(4.4)
Total	\$ 488.0	\$ 505.7	\$(17.7)

*Includes all sources of property tax revenue (i.e. Secured, Unsecured, Supplemental, Delinquent, Unitary)

Property Tax Revenues currently constitute the second largest source of General Fund financing and account for 41.5 percent of the total financing. Property taxes is a one percent tax on real property.

The housing market decline has caused the County Assessor to decrease the assessed value for approximately 190,000 properties in 2011-12, 17.3 percent more than the 162,000 in 2010-11. This will reduce secured property taxes for Fiscal Year 2011-12 by approximately 3.0 percent.

Property Tax In Lieu of Vehicle License Fees is the third largest source of General Fund financing with 25.9 percent of the total financing. This revenue source emerged as a result of the State’s “swap” deal.

Sales Taxes account for 9.5 percent of the total General Fund financing. With minimal growth anticipated, sales tax is expected to reach approximately \$46.5 million. In Lieu Sales Taxes emerged as a result of the State’s “Triple Flip” provision which reduces the County’s Sales and Use Taxes by 25.0 percent. The State backfills this 25.0 percent reduction with Educational Revenue Augmentation Fund (ERAF) revenues. In Lieu Sales Tax is budgeted at \$15.9 million, 3.3 percent of the General Fund financing.

The department carryover is that portion of the fund balance which is, by Board of Supervisors’ policy, allocated directly back to General Fund budget units generating the carryover. This policy was established in 2010 to provide an incentive for departments to take actions to maximize fund balance and minimize budget funding gaps in lean budget years.

Recent Changes in Fund Balance of General Fund

The following table reflects the beginning total fund balance (both Departmental carryover and Non-Departmental fund balance) of each fiscal year since Fiscal Year 2004-05 and the change in available fund balance from the prior-year fiscal year:

Fiscal Year	Fund Balance	Variance
2004-05	67,952,967	5,087,391
2005-06	102,560,476	34,607,509
2006-07	140,718,398	38,157,922
2007-08	74,532,227	(66,186,171)
2008-09	23,357,256	(51,174,971)
2009-10	11,645,815	(11,711,441)
2010-11	8,138,537	(3,507,278)
2011-12	\$ 9,403,535	\$ 1,264,998

- In Fiscal Year 2004-05 and Fiscal Year 2005-06 there was an unanticipated increase in property tax revenues associated with the strong local real estate market. The actual growth in major revenues such as sales tax and vehicle license fees also met budgetary expectations.
- The beginning fund balance for Fiscal Year 2006-07 exceeded budgeted estimates by \$55.7 million largely because of the continued strong local real estate market (Property Tax collections exceeded budget estimates by \$55.7 million). Because collections were so much higher than anticipated, the County took the opportunity to increase general reserves by \$57.0 million.
- In Fiscal Year 2007-08 the beginning fund balance declined because Property Tax collections were more in line with budgeted estimates.
- In Fiscal Years 2008-09 through 2010-11 the true impact of the economic downturn can be seen with the drop in fund balance which is predominately the result of a decrease in both property taxes and sales related taxes and transfers in from other funds.

- Fund Balance carried into Fiscal Year 2011-12 is slightly improved from the prior year as revenues have begun to stabilize.

Other Funds Subject to Appropriation (Other Governmental Funds)

The overall financing and requirement for the Other Governmental Funds, or those other funds subject to appropriation is found in Schedule 1 – Summary of County Budget, in the Summary Schedules portion of this document. An analysis of fund balances is reflected in Schedule 2 – Analysis of Fund Balance Unreserved/Undesignated. Reserve change detail is reflected in Schedule 3 – Detail of Provisions for Reserves/Designations. All other Summary Schedules are reflected in Section B – Summary Schedules. Following is a brief description of the Other Governmental Funds, the major financing sources, and the Fiscal Year 2011-12 requirement and financing.

SPECIAL REVENUE FUNDS

Building Inspection Fund – \$11,604,702

0.0 Positions

Primary financing comes from building inspection charges. The County is responsible for building inspection in the Unincorporated Area.

County Library – \$1,292,743

0.0 Positions

The primary source of financing for this fund comes from a dedicated share of property taxes collected in the Unincorporated Area and the cities of Sacramento, Elk Grove, Citrus Heights, Galt, Rancho Cordova, and Isleton. Library services are provided by a joint City of Sacramento – Sacramento County Joint Powers Authority with a separate Authority Board. Funding allocated to this fund is transferred to the Library Authority for services and materials.

Economic Development – \$41,625,657

16.0 Positions

County economic development activities are financed from this fund. Major projects include the conversion of two former air force bases from military to mixed private and public use. Funding comes from the sale of land and facilities, grants, and a contribution from the General Fund. Requirements include reserve increase of \$1,664,380.

Environmental Management Fund – \$20,047,599

127.8 Positions

Environmental Management provides countywide regulatory services that protect public health and the environment. The primary source of financing for this fund comes from fees and contracts associated with the various regulatory activities of the Environmental Health, Hazardous Materials, and Water Protection Divisions.

First 5 Sacramento Commission Fund – \$30,666,853

14.0 Positions

Funding comes from the State of California under the terms of a voter-approved statewide initiative. The funding is restricted to services to youths and may not be used for basic county operations. Allocations are approved by a Commission consisting of elected officials and appointed members.

**GENERAL BUDGET
INFORMATION**

SUMMARY OF 2011-12 ADOPTED BUDGET

Fish and Game Fund – \$24,245

0.0 Positions

Financing for this fund comes from fish and game fines. The funds are used for education programs.

Golf Fund – \$7,386,086

6.0 Positions

The operations and maintenance of three county golf courses is financed from this fund. Major financing sources include user fees and concession charges.

Health Care for the Uninsured Fund – \$970

0.0 Positions

Funding came from Tobacco Litigation Settlement Revenue received before the securitization of this revenue stream. Projected use of this fund is to provide seed funding for the extension of health benefits to that portion of the population currently uninsured.

Road Fund – \$113,833,084

0.0 Positions

Gas tax and restricted state road funding accrue to this fund. Street and road acquisition, construction, and maintenance are financed from this fund. The purpose of this fund is to segregate the gas tax revenue.

Roadways Fund – \$17,357,472

0.0 Positions

This fund is used to segregate development impact and special assessment revenue dedicated to street and road acquisition, construction, and maintenance.

Rural Transit Fund – \$1,075,646

0.0 Positions

This fund provides transit services to the rural areas of the Unincorporated Area of the county. Funding comes from various sources including the Transportation Development Act, Federal Transit Administration, grants and fare box revenues.

Tobacco Litigation Settlement Fund – \$9,797,928

0.0 Positions

Financing for this fund comes from the proceeds of the tobacco revenue bond sale (securitization). Included in the bond sale was an amount that together with interest earnings could provide \$6.3 million in funding for health, youth, and community programs. The Board of Supervisors approves allocations to community based organizations on a competitive basis and on a three-year funding cycle.

Transient-Occupancy Tax Fund – \$6,954,821

0.0 Positions

This fund is a subset of the General Fund. The county's hotel tax accrues to this fund, and this revenue is general purpose financing and may be expended on any county activity. The Board of Supervisors holds special hearings to allocate financing from this fund to community organizations, facilities and programs jointly funded with the City of Sacramento, and County Departments.

Transportation-Sales Tax Fund – \$73,452,097

0.0 Positions

In Sacramento County the voters have approved a ½ cent increase in the sales tax to be dedicated to transportation capital projects and operations. Revenue is share by the County, cities, and the Regional Transit System (bus and train service). This fund is use to segregate the county's share of the special sales tax revenue.

CAPITAL PROJECT FUNDS

Capital Construction Fund – \$50,213,638

0.0 Positions

Financing comes from a use allocations charge to the departments occupying county owned facilities, debt financing, and grants. The acquisition, construction, and major maintenance of county facilities are financed from this fund.

Park Construction Fund – \$1,302,404

0.0 Positions

Funding comes from grants, donations, state bond sales, and contributions from the County Transient-Occupancy Tax Fund. Parks acquisition, development, and rehabilitation projects are financed from this fund.

DEBT SERVICE FUNDS

Teeter Plan -- \$61,487,909

0.0 Positions

The County utilizes the Teeter Plan of property tax distribution. All secured tax delinquencies are advanced to those public agencies in the County which receive property taxes. The County borrows the funds to advance the delinquent taxes from the Treasury Pool in an annual five-year note. The borrowed funds are repaid with delinquent tax principal, redemption charges, and interest (18.0 percent per year).

**GENERAL BUDGET
INFORMATION**

SUMMARY OF 2011-12 ADOPTED BUDGET

INTERNAL SERVICE FUNDS

The following Internal Service Funds are used to accumulate and allocate costs internally among the county's various functions and special services.

DEPARTMENT	FISCAL YEAR	
	2011-12	POSITIONS
Board of Retirement	\$7,139,600	45.5
Building And Code Enforcement	44,879,928	252.9
Consolidated Utilities Billing Services	11,060,876	51.8
General Services-Airport District	5,747,185	36.8
General Services-Bradshaw District	13,437,588	81.0
General Services-Capital Outlay	11,475,000	0.0
General Services-Downtown District	7,560,589	49.0
General Services-Energy Management	9,456,286	1.0
General Services-Heavy Equipment	21,491,396	87.0
General Services-Light Equipment	21,520,424	23.0
General Services-Office Of The Director	1,147,131	20.8
General Services-Purchasing	2,520,423	13.0
General Services-Real Estate	45,205,567	26.0
General Services-Security Services	3,235,582	30.4
General Services-Support Services	10,918,845	23.5
Interagency Procurement	58,124,399	0.0
Liability/Property Insurance	17,090,876	0.0
Municipal Services Agency-Administrative Services	15,219,018	71.0
Office of Communications & Information Technology	44,784,004	187.0
Regional Radio Communications System	5,412,059	9.0
Transportation	50,917,718	263.6
Unemployment Insurance	10,183,136	0.0
Workers' Compensation Insurance	27,265,088	0.0
TOTAL INTERNAL SERVICE FUNDS	\$445,792,718	1,272.3

ENTERPRISE FUNDS

The following Enterprise Funds are established to account for county operations financed and operated in a manner similar to private business enterprises (e.g., utilities, airports, parking garages). The costs of these activities are financed or recovered primarily through user charges.

DEPARTMENT	FISCAL YEAR	
	2011-12	POSITIONS
Airport System	\$319,152,992	420.0
Airport-Capital Outlay	-3,452,803	0.0
Parking Enterprise	3,044,554	7.0
Solid Waste Enterprise	78,524,479	255.6
Solid Waste Enterprise Capital Outlay	6,821,773	0.0
Water Agency Enterprise	69,264,493	101.0
TOTAL ENTERPRISE FUNDS	\$473,355,488	783.6

SPECIAL DISTRICTS AND OTHER AGENCIES

The following Special Districts and Other Agencies Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for those specific purposes.

DEPARTMENT	FISCAL YEAR	
	2011-12	POSITIONS
1997-Public Facilities Debt Service	\$507,247	0.0
1997-Public Facilities-Construction	553,981	0.0
1997-Refunding Public Facilities Debt Service	777,701	0.0
2003 Public Facilities-Debt Service	44,571	0.0
2004 Pension Obligation Bonds	3,066,535	0.0
2006 Public Facilities-Debt Service	2,624,875	0.0
2007 Public Facilities Projects-Construction	4,899,072	0.0
2007 Public Facilities Projects-Debt Service	303,401	0.0
2010 Refunding COPs-Debt Service	271,957	0.0
2010 Refunding COPs-Parking Garage-Debt Service	58,763	0.0
Antelope Assessment	1,348,312	0.0
Antelope Public Facilities Financing Plan	3,061,328	0.0
Bradshaw/US 50 Financing District	172,400	0.0
Carmichael Recreation and Park District	3,791,329	17.0
Connector Joint Powers Authority	610,858	4.0
County Parks Community Facilities District 2006-1	11,886	0.0
County Service Area No. 1	3,912,201	0.0
County Service Area No. 10	20,045	0.0
County Service Area No.4B-(Wilton-Cosumnes)	52,397	0.0
County Service Area No.4C-(Delta)	93,626	0.0
County Service Area No.4D-(Herald)	10,501	0.0
Del Norte Oaks Park District	4,626	0.0
Department of Flood Management	313,560	3.0
Fixed Asset Revolving	54,825,335	0.0
Florin Road Capital Project	424,321	0.0
Fulton Avenue Capital Project	31,897	0.0
Gold River Station No. 7	78,505	0.0
Juvenile Courthouse-Debt Service	44,165	0.0
Laguna Community Facility District	1,270,912	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	3,104,628	0.0
Laguna Stonelake Community Facilities District	228,728	0.0
Landscape Maintenance District	826,552	0.0
Mather Landscape Maintenance Community Facilities District	452,814	0.0
Mather Public Facilities Financing Plan	1,758,322	0.0
McClellan Park Community Facilities District	11,513,895	0.0
Metro Air Park	9,145,097	0.0
Metro Air Park Service Tax	756,627	0.0
Mission Oaks Maintenance/Improvement District	1,649,500	0.0
Mission Oaks Recreation and Park District	3,737,749	15.0
Natomas Fire District	2,279,535	0.0
North Vineyard Station Specific Plan (NVSSP)	942,227	0.0
NVSSP Community Facilities District	1,678,003	0.0

Park Meadows Community Facilities District-Bond Proceeds	174,106	0.0
Pension Obligation Bond-Debt Service	7,874,308	0.0
Pension Obligation Bond-Interest Rate Stabilization	103,218	0.0
Regional Sanitation District-Operating	53,597,118	454.0
Sacramento Area Sewer District	31,885,669	273.0
Sacramento County Landscape Maintenance	421,271	0.0
Sunrise Recreation and Park District	9,467,609	31.0
Tobacco Litigation Settlement-Capital Projects	21,700,861	0.0
Vineyard Public Facilities Financing Plan - Roadway	7,974,576	0.0
Water Agency Zone 11-Drainage Infrastructure	15,013,248	0.0
Water Agency-Zone 13	4,938,353	0.0
Water Resources	48,874,395	146.2
TOTAL SPECIAL DISTRICTS AND OTHER AGENCIES	\$323,284,716	943.2

III. Five-Year Capital Improvement Plan (Volume II)

The 2011-12 Adopted Budget includes a Five-Year Capital Improvement Plan (CIP) for Sacramento County. The Capital Improvement Plan lists both the approved and proposed capital improvements to be acquired or constructed through the 2015-16 Fiscal Year. The approved and proposed capital projects are broken into three major categories: Airports, County Facilities, and Regional Parks. The funding needs may be summarized.

CATEGORY	PRIOR-YEARS AND FIVE-YEAR COSTS
Airports	1,253,287,398
County Buildings & Capital Construction	65,476,307
Libraries	3,283,749
Regional Parks	10,646,072
Transportation	442,871,561
Waste Management & Recycling	55,334,889
Water Resources-Drainage	17,235,562
Water Resources-Water Supply	280,467,406
TOTAL	2,128,602,944

Funding has not been obtained for all the projects, particularly those in the later years of the five-year plan. Following the Five-Year Capital Improvement Plan will result in additional operating and debt service expenditures in the present and future years. The levels of new expenditures will depend upon factors such as the timing of the facility development, operating offsets from current facilities, and interest rates. All operating and debt service costs relating to the budget year are included in the budget. The multiyear modeling is used to estimate the impact of new facilities on the operating budget.

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2011-12 ADOPTED BUDGET LETTER

COUNTY OF SACRAMENTO CALIFORNIA

For the Agenda of:
September 7, 2011
9:30 A.M.

To: Board of Supervisors

From: County Executive

Subject: Fiscal Year 2011-12 Budget Adoption

Supervisory
District: All

Contact: Navdeep S. Gill, Chief Operations Officer, 874-5803
Thomas R. Burkart, County Budget Officer, 874-4627

BACKGROUND:

The Board of Supervisors approved the Interim County Executive's Recommended Budget in June 2011. All substantive local items regarding the Fiscal Year 2011-12 Budget were resolved at those hearings. The Adopted Budget hearings address year end issues, State budget issues and any necessary adjustments to the Approved Recommended Budget. The Board will adopt the County's Fiscal Year 2011-12 Budget at the conclusion of these hearings.

DISCUSSION:

I GENERAL FUND

Since the June budget hearings, the County Executive's Office has identified necessary budget adjustments due to reevaluated local revenue estimates, Fiscal Year 2010-11 fund balances, and cost adjustments in some County programs.

Property Tax Adjustment

The local housing market has continued to deteriorate, reducing assessed property values and associated property tax revenues. As a result, the County Executive recommends reducing estimated property tax revenue from \$341.7 million to \$335.0 million, a reduction of \$6.7 million. This adjustment to property taxes will also lower revenue neutrality payments from \$16.4 million to \$16.2 million, an additional reduction of \$0.2 million.

Teeter Fund

The Teeter Fund transfers excess earnings to the General Fund after reserve requirements have been met. Delinquent property taxes are expected to be higher than originally estimated, increasing the transfer of excess earnings in Fiscal Year 2011-12 from \$14.5 million to \$15.5

Fiscal Year 2011-12 Budget Adoption
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million, an increase of \$1.0 million. Also, Fiscal Year 2011-12 reserve requirements are \$0.4 million less than expected. The net benefit to the General Fund is \$1.4 million.

Fund Balance

Fund Balance for the General Fund was projected at Recommended Budget to be \$4.5 million. Actual Fund Balance is \$9.4 million, an increase of \$4.9 million. The following chart illustrates the increased Fund Balance between Approved Recommended and Adopted Budget (in millions):

Budget Unit	Increase	Decrease	Net Increase
Health Medical Treatment Payments	\$7.4		
Reserve changes	2.9		
IHSS Provider Payments	1.3		
Humans Assistance – Admin	1.3		
Sheriff	1.0		
Probation	0.8		
Correctional Health	0.7		
Juvenile Medical Services	0.6		
Public Defender	0.6		
Voter Registration	0.5		
Non-Departmental Costs	0.3		
Human Assistance (DHA) Aid Payments		\$2.0	
Non- Departmental Revenue		10.0	
Health and Human Services		1.8	
All Other Budget Units	1.3		
Total	\$18.7	\$13.8	\$4.9

Fund Balance decreases are the responsibility of the individual departments. In some cases, additional General Fund was allocated to departments that could not absorb decreases in Fund Balance without significant program reductions.

Fund Balance increases are subject to the Board’s new adopted Carryover Policy. Increases may be used at the department’s discretion to fund current year operations or to create a reserve to be used for future projects.

Contingency Appropriation

The CEO recommends that an additional \$0.3 million be budgeted in contingencies to assist in meeting potential midyear cost issues. Potential midyear cost issues include Conflict Criminal Defense costs, General Assistance costs, In-Home Supportive Services provider payments and medical treatment payments.

The Contingency budget currently is \$1.5 million, slightly less than last fiscal year. The addition of \$0.3 million will bring the total Contingency budget to \$1.8 million.

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Additional Revenue

The District Attorney has identified \$5.1 million in potential additional revenues. The details were not available at the time this letter was published. The CEO will present his recommendation on the use of this revenue at the budget adoption hearing.

II MUNICIPAL SERVICES AGENCY (MSA) GOVERNMENTAL/ENTERPRISE FUNDS

Transportation Funds

Transportation Funds, including County Roads, Roadways, and Transportation Sales Tax, increased by \$26.0 million. Many of these funds involve a construction program that is adopted as a long-range plan (five to seven years) and are managed through a series of approved annual expenditure plans. Due to the multiple-year demands of the projects, the annual budget represents the portion of the five to seven year construction plan that can reasonably be accomplished in the current fiscal year. Actual project expenditures generally differ from the budget due to many factors affecting project life cycles, i.e. environmental issues, public discussion, legal opinions, right-of-way acquisitions, availability of consultants and contractors, and weather. Consequently, adjustments are almost entirely due to the necessity of rebudgeting for work that was planned, but could not be accomplished, in Fiscal Year 2010-11.

Solid Waste Enterprise

Solid Waste Enterprise fund balance increased by \$9,703,201, primarily due to lower than anticipated operating expenditures and the shifting of project timelines affecting expenditures and modifications to proposed capital projects.

Department of Water Resources

- Water Resources fund balance has decreased \$336,701 due to shifts in project timelines and other modifications in construction projects and project cost adjustments.
- Water Agency Zone 11 fund balance has increased \$1,146,097 due to less than anticipated developer reimbursement payments and credits, decreases in labor, engineering and other professional services related to lack of development activity in Zone 11
- Water Agency Zone 13 fund balance has decreased \$734,036 due to an increase in prior year expenditures.

Special Districts

Special district budgets administered by the Infrastructure and Finance Section have increased by \$88,681 due to higher than anticipated fund balances in several of the districts.

Building and Code Enforcement

Appropriations for the Building and Code Enforcement Department decreased \$626,278 due to the continuing economic decline and lack of building activity resulting in reductions in staff and other costs.

Fiscal Year 2011-12 Budget Adoption
Page 4

III OTHER FUNDS

Transient Occupancy Tax (TOT)

Fund balance increased by \$115,197 due to projects and activities approved prior to Fiscal Year 2011-12 that are underway but not complete yet.

Teeter Reserve

At the end of Fiscal Year 2010-11, the secured and unsecured property tax delinquencies were lower than anticipated. As a result, pursuant to statutory requirements, the Teeter Tax Loss Reserve was decreased by \$1,950,146 to \$9,736,134 for Fiscal Year 2011-12. The Tax Loss Reserve is a statutory prerequisite of the Teeter Plan and has no relationship to the borrowing through the Treasurer's Pooled Fund.

Teeter Fund

The Teeter Plan of Tax Apportionment fund balance was \$5,393,384 or \$0.6 million lower than anticipated. The decrease in available fund balance is due to lower than anticipated delinquent tax collection at year end. The fund balance will be used to finance Fiscal Year 2011-12 debt service payments on July 1, 2011.

Economic Development Fund

Fund balance has decreased by \$539,862 due to a combination of lower than anticipated expenditures and revenues in Fiscal Year 2010-11.

Environmental Management Fund

Fund balance increased by \$960,908 due to an increase in fines and penalties related to Court actions and the Reserve Release decreased by \$978,584 due to the same reason as well as a rebate of retained earnings from the Department of General Services.

Golf Fund

Fund balance has decreased by \$532,020 due to lower than anticipated revenues resulting from the economic downturn and a longer than normal winter with rainy days throughout the spring months. Appropriations have decreased by \$325,458 due to reductions in allocated costs, a reduction of 1.0 Park Maintenance Worker 1 position and reductions to various supplies, services, and equipment. Revenues increased by \$206,562 primarily due to an increase in contribution from other funds and a rebate of retained earnings from the Department of General Services.

Insurance Funds

The County utilizes three separate Internal Service Funds to accumulate charges and payments for Workers' Compensation Insurance, Liability/Property Insurance, and Unemployment Insurance. The County is basically self-insured for Workers' Compensation Insurance and Liability/Property Insurance; however, the County does purchase additional coverage above the self-insured retention levels of \$3.0 million for Workers' Compensation Insurance and \$2.0 million for Liability/Property Insurance. All three insurance funds are financed through charges to county departments.

Charges to county departments for all three insurance funds are determined on the basis of each department's claims experiences and exposure. The County has several higher risk services,

Fiscal Year 2011-12 Budget Adoption
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particularly in the provision of municipal services to the Unincorporated Area. The following table reflects the Approved Recommended Budget and the Budget recommended for adoption for insurance funds for the 2011-12 Fiscal Year:

Insurance Funds			
	Approved Recommended 2011-12	Recommended For Adoption 2011-12	Variance
Workers' Compensation	\$27,265,088	\$27,265,088	\$0
Liability/Property	17,090,876	17,090,876	0
Unemployment	<u>10,183,136</u>	<u>10,183,136</u>	<u>0</u>
TOTAL	\$54,539,100	\$54,539,100	\$0

Capital Construction Fund

The Capital Construction Fund (CCF) typically budgets projects based on anticipated expenditures. Often the design, engineering and construction are not completed within the fiscal year in which a project is authorized, or, on occasion, the succeeding fiscal year. Those encumbered funds have a significant effect on the fund balance. When a large project is financed, CCF typically provides the financing for the expense and receives reimbursement for those expenses. Since the revenue is received in arrears, the revenue is not listed as a balancing entry for the encumbrance. This also has an effect on the fund balance.

Encumbrances to be carried forward to Fiscal Year 2011-12 for projects were lower than anticipated which increased the available fund balance by \$710,630.

Since the 2011-12 Recommend Budget was adopted we have also identified other sources of revenue for projects for a total of \$13,838,375 in additional revenue (including the increased fund balance). These revenue sources are restricted to specific construction projects. By leveraging various funding sources including loans, grants, energy rebates, and criminal justice trust fund money, CCF will be able to complete critical projects while continuing to fund \$7.3 million in debt service, \$5.8 million in Facility Use charges for General Fund departments in FY 2011-12

The Fiscal Year 2011-12 Recommended Budget has been adjusted to account for the increased fund balance and additional revenue.

IV Special Districts

• **CSA 4B**

Fund balance has increased by \$142 due primarily to lower than anticipated recreation services and supplies and property tax revenues.

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- **CSA 4C**

Fund balance increased by \$4,058 due to less than anticipated cost of Public Works services and greater than anticipated property tax and other miscellaneous revenues.

- **CSA 4D**

Fund balance has increased by \$1,768 due to less than anticipated utility and maintenance costs and greater than anticipated revenues.

- **Del Norte Oaks Park Maintenance District**

Fund balance has decreased by \$242 due to less than anticipated property tax revenues.

- **Fish and Game Propagation**

Fund balance has increased by \$9,544 primarily due to increased revenue from fines.

- **Carmichael Recreation and Park District**

Fund balance has decreased by \$103,653 primarily due to less than anticipated property taxes and grants and other intergovernmental and miscellaneous revenues.

- **Mission Oaks Recreation and Park District**

Fund balance has increased by \$308,190 primarily due to the cost savings measures the District took by not procuring unnecessary services and supplies, the retirement of two full-time staff members and the re-budgeting of some capital improvements.

- **Mission Oaks Maintenance/Improvement District**

Fund balance has increased by \$269,434 primarily due to the cost savings measures the District took by not spending unnecessary services and supplies, and the re-budgeting of some capital improvements.

- **Sunrise Recreation and Park District**

Fund balance has increased by \$578,831 due to lower than anticipated expenditures for various park improvement projects.

- **Antelope Assessment District**

Fund balance has increased by \$440,530 due to less than anticipated interest expense and greater than anticipated special assessment revenue.

IV CONSTRUCTION IN PROGRESS

The County's Five Year Capital Improvement Plan will be brought to the Board as a separate item giving the Board an opportunity to review construction plans and equipment purchases for county programs. Current year costs are included in the Recommended Final Budget.

V STATE BUDGET

The State has adopted a budget for Fiscal year 2011-12 with little affect on the County. However, the State budget includes significant cost reductions if the projected revenue increase of \$4 billion

Fiscal Year 2011-12 Budget Adoption
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does not materialize. The State will estimate collections in December and compare those estimates to the budgeted revenues. If the revenues are projected to fall short of expectations by more than \$1 billion, additional cost reductions will be implemented. These cuts include a 20 percent reduction in IHSS hours and elimination of the IHSS local anti-fraud efforts. There will also be reductions in a variety of grants funded by the State which may affect the County.

We will return to the Board with program reductions if State reduction triggers go into effect.

RECOMMENDATIONS:

1. Approve the attached Schedules changing the Fiscal Year 2011-12 Approved Recommended Budget and constituting adoption of the budget for Fiscal Year 2011-12 (Attachment I).
2. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA) and to issue layoff notices where necessary to reflect the positions approved by the Board in the Fiscal Year 2011-12 Adopted Budget, including deletion of certain positions in order to reduce program expenditures. Finalized position reduction list will be brought back to the Board.
3. Authorize the Director of the Department of Personnel Services to administratively extend positions otherwise slated for deletion in those cases where resources have been identified through labor cost concessions or other funding sources. These extensions will be brought back to the Board at the earliest available Board date.
4. Approve the recommendations included in the attached report on the In-Home Supportive Service Fraud Prevention Program (Attachment II).
5. Direct the Department of Finance to prepare the Fiscal Year 2011-12 Budget Resolutions for Board consideration on Tuesday, September 27, 2011.

Respectfully submitted,

BRADLEY J. HUDSON
County Executive

Attachments:

ATT I - Budget Schedules

ATT II – Proposal For In-Home Supportive Service Fraud Prevention Program For Fiscal Year 2011-12

GENERAL BUDGET INFORMATION

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2011-12 ADOPTED BUDGET LETTER

Attachment I

State Controller Schedules		County of Sacramento				Schedule 1	
County Budget Act January 2010		All Funds Summary Fiscal Year 2011-12					
Fund Name	Total Financing Sources				Total Financing Uses		
	Fund Balance Unreserved/ Undesignated June 30, 2011	Decreases to Reserves/ Designations/Net Assets	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Reserves/ Designations/Net Assets	Total Financing Uses
1	2	3	4	5	6	7	8
Governmental Funds							
General Fund	\$ 9,403,535	\$ 1,980,951	\$ 1,918,517,910	\$ 1,929,902,396	\$ 1,928,344,493	\$ 1,557,903	\$ 1,929,902,396
Special Revenue Funds	33,777,713	20,406,541	280,935,649	335,119,903	333,255,523	1,864,380	335,119,903
Capital Projects Funds	2,863,921	-	48,652,121	51,516,042	51,516,042	-	51,516,042
Debt Service Funds	5,393,384	-	56,094,525	61,487,909	61,487,909	-	61,487,909
Total Governmental Funds	\$ 51,438,553	\$ 22,387,492	\$ 2,304,200,205	\$ 2,378,026,250	\$ 2,374,603,967	\$ 3,422,283	\$ 2,378,026,250
Other Funds							
Internal Service Funds	\$ -	\$ -	\$ 399,788,027	\$ 399,788,027	\$ 445,792,718	\$ -	\$ 445,792,718
Enterprise Funds	13,969,072	-	325,453,818	339,422,890	463,752,823	9,602,665	473,355,488
Special Districts and Other Agencies	94,318,317	6,152,120	222,814,279	323,284,716	317,076,664	6,208,052	323,284,716
Total Other Funds	\$ 108,287,389	\$ 6,152,120	\$ 948,056,124	\$ 1,062,495,633	\$ 1,226,622,205	\$ 15,810,717	\$ 1,242,432,922
Total All Funds	\$ 159,725,942	\$ 28,539,612	\$ 3,252,256,329	\$ 3,440,521,883	\$ 3,601,226,172	\$ 19,233,000	\$ 3,620,459,172
Arithmetic Results				COL 2+3+4			COL 6+7
Governmental Fund Totals Transferred From	SCH 2, COL 2	SCH 2, COL 3	SCH 2, COL 4	SCH 2, COL 5 COL 5 = COL 8	SCH 2, COL 6	SCH 2, COL 7	SCH 2, COL 8 COL 5 = COL 8
Internal Service Fund From			SCH 10, COL 6		SCH 10, COL 6	SCH 10, COL 6	
Enterprise Fund From		SCH 11, COL 5	SCH 11, COL 6		SCH 11, COL 6		
Special Districts From Arithmetic Results	SCH 12, COL 2	SCH 12, COL 3	SCH 12, COL 4	SCH 12, COL 5 COL 5 = COL 8	SCH 12, COL 6	SCH 12, COL 7	SCH 12, COL 8 COL 5 = COL 8

GENERAL BUDGET INFORMATION

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2011-12 ADOPTED BUDGET LETTER

State Controller Schedules		County of Sacramento						Schedule 2
County Budget Act January 2010		Governmental Funds Summary Fiscal Year 2011-12						
Fund Name	Total Financing Sources				Total Financing Uses			
	Fund Balance Unreserved/ Undesignated June 30, 2011	Decreases to Reserves/ Designations	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Reserves/ Designations	Total Financing Uses	
1	2	3	4	5	6	7	8	
General Fund								
General Fund	\$ 9,403,535	\$ 1,980,951	\$ 1,918,517,910	\$ 1,929,902,396	\$ 1,928,344,493	\$ 1,557,903	\$ 1,929,902,396	
Total General Fund	\$ 9,403,535	\$ 1,980,951	\$ 1,918,517,910	\$ 1,929,902,396	\$ 1,928,344,493	\$ 1,557,903	\$ 1,929,902,396	
Special Revenue Funds								
Fish and Game Propagation	\$ 9,245	\$ -	\$ 15,000	\$ 24,245	\$ 24,245	\$ -	\$ 24,245	
Health Care/Uninsured	(30)	-	1,000	970	970	-	970	
Roads	9,784,733	-	104,048,351	113,833,084	113,833,084	-	113,833,084	
Tobacco Litigation Settlement	337,954	9,033,163	426,811	9,797,928	9,797,928	-	9,797,928	
Environmental Management	786,435	1,364,421	17,896,743	20,047,599	20,047,599	-	20,047,599	
County Library	413,073	-	879,670	1,292,743	1,092,743	200,000	1,292,743	
First 5 Sacramento Commission	10,643,348	2,577,870	17,445,635	30,666,853	30,666,853	-	30,666,853	
Transient-Occupancy Tax	208,205	-	6,746,616	6,954,821	6,954,821	-	6,954,821	
Golf	(1,218,554)	116,128	8,488,512	7,386,086	7,386,086	-	7,386,086	
Economic Development	11,977,114	2,300,000	27,348,543	41,625,657	39,961,277	1,664,380	41,625,657	
Building Inspection	1,901,195	-	9,703,507	11,604,702	11,604,702	-	11,604,702	
Roadways	5,237,817	5,014,959	7,104,696	17,357,472	17,357,472	-	17,357,472	
Transportation-Sales Tax	(4,615,502)	-	78,067,599	73,452,097	73,452,097	-	73,452,097	
Rural Transit	(1,687,320)	-	2,762,966	1,075,646	1,075,646	-	1,075,646	
Total Special Revenue Funds	\$ 33,777,713	\$ 20,406,541	\$ 280,935,649	\$ 335,119,903	\$ 333,255,523	\$ 1,864,380	\$ 335,119,903	
Capital Project Funds								
Park Construction	\$ (646,267)	\$ -	\$ 1,948,671	\$ 1,302,404	\$ 1,302,404	\$ -	\$ 1,302,404	
Capital Construction	\$ 3,510,188	\$ -	\$ 46,703,450	\$ 50,213,638	\$ 50,213,638	\$ -	\$ 50,213,638	
Total Capital Project Funds	\$ 2,863,921	\$ -	\$ 48,652,121	\$ 51,516,042	\$ 51,516,042	\$ -	\$ 51,516,042	
Debt Service Funds								
Teeter Plan	\$ 5,393,384	\$ -	\$ 56,094,525	\$ 61,487,909	\$ 61,487,909	\$ -	\$ 61,487,909	
Total Debt Service Funds	\$ 5,393,384	\$ -	\$ 56,094,525	\$ 61,487,909	\$ 61,487,909	\$ -	\$ 61,487,909	
Total Governmental Funds	\$ 51,438,553	\$ 22,387,492	\$ 2,304,200,205	\$ 2,378,026,250	\$ 2,374,603,967	\$ 3,422,283	\$ 2,378,026,250	
Arithmetic Results				COL 2+3+4 COL 5 = COL 8			COL 6+7 COL 5 = COL 8	
Totals Transferred From	SCH 3, COL 6	SCH 4, COL 4	SCH 5, COL 6		SCH 7, COL 5	SCH 4, COL 6	SCH 7, COL 5	
Totals Transferred To	SCH 1, COL 2	SCH 1, COL 3	SCH 1, COL 4	SCH 1, COL 5	SCH 1, COL 6	SCH 1, COL 7	SCH 1, COL 8	

**GENERAL BUDGET
INFORMATION**

**COUNTY EXECUTIVE'S RECOMMENDED FISCAL
YEAR 2011-12 ADOPTED BUDGET LETTER**

State Controller Schedules		County of Sacramento				Schedule 3	
County Budget Act January 2010		Fund Balance - Governmental Funds Fiscal Year 2011-12				Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	
Fund Name	Total Fund Balance June 30, 2011	Less: Fund Balance-Reserved/Designated			Fund Balance Unreserved/ Undesignated June 30, 2011		
		Encumbrances	General & Other Reserves	Designations			
1	2	3	4	5	6		
General Fund							
General Fund	\$ 90,312,215	\$ 25,747,124	\$ 55,161,556	\$ -	\$ 9,403,535		
Total General Fund	\$ 90,312,215	\$ 25,747,124	\$ 55,161,556	\$ -	\$ 9,403,535		
Special Revenue Funds							
Fish and Game Propagation	\$ 29,581	\$ -	\$ 20,336	\$ -	\$ 9,245		
Health Care/Uninsured	(30)	-	-	-	(30)		
Roads	29,937,411	16,949,828	3,202,850	-	9,784,733		
Tobacco Litigation Settlement	22,299,611	-	21,961,657	-	337,954		
Environmental Management	10,021,387	59,983	9,174,969	-	786,435		
County Library	413,073	-	-	-	413,073		
First 5 Sacramento Commission	90,329,159	9,445,578	70,240,233	-	10,643,348		
Transient-Occupancy Tax	531,135	270,272	52,658	-	208,205		
Golf	(1,100,985)	1,441	116,128	-	(1,218,554)		
Economic Development	17,168,072	1,690,658	3,500,300	-	11,977,114		
Building Inspection	2,140,768	-	239,573	-	1,901,195		
Roadways	10,782,398	383,622	5,160,959	-	5,237,817		
Transportation-Sales Tax	1,458,511	6,074,013	-	-	(4,615,502)		
Rural Transit	(1,687,320)	-	-	-	(1,687,320)		
Total Special Revenue Funds	\$ 182,322,771	\$ 34,875,395	\$ 113,669,663	\$ -	\$ 33,777,713		
Capital Project Funds							
Park Construction	\$ (191,463)	\$ 442,453	\$ 12,351	\$ -	\$ (646,267)		
Capital Construction	6,582,732	3,072,444	100	-	3,510,188		
Total Capital Project Funds	\$ 6,391,269	\$ 3,514,897	\$ 12,451	\$ -	\$ 2,863,921		
Debt Service Funds							
Teeter Plan	\$ 5,393,384	\$ -	\$ -	\$ -	\$ 5,393,384		
Total Debt Service Funds	\$ 5,393,384	\$ -	\$ -	\$ -	\$ 5,393,384		
Total Governmental Funds	\$ 284,419,639	\$ 64,137,416	\$ 168,843,670	\$ -	\$ 51,438,553		
Arithmetic Results					COL 2 - 3 - 4 - 5		
Totals Transferred From			COL 4 + 5 = SCH 4, COL 2	COL 4 + 5 = SCH 4, COL 2			
Totals Transferred To					SCH 2, COL 2		

Attachment II

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
September 7, 2011
9:30 A.M..

To: Board of Supervisors

From: Department of Human Assistance

Subject: Proposal For In-Home Supportive Service Fraud Prevention Program For Fiscal Year 2011-12

Supervisorial District: All

Contact: Paul Lake, Director, Human Assistance, 875-3611

Overview

In July 2009, Sacramento County formed the In-Home Supportive Services (IHSS) Fraud Task Force for the purpose of fraud prevention, detection, referral, investigation and additional program integrity efforts related to IHSS. The Task Forces consists of staff from the District Attorney's Office (DA), Department of Human Assistance (DHA), Department of Health and Human Services (DHHS), and the State Department of Health Care Services.

Since 2009, the program has been supported by State funding. In 2009-10, the County received \$3 million of \$26.4 million identified statewide for IHSS anti-fraud activities and in 2010-11 the County received \$2.3 million of \$28.1 million. While the State legislature funded this program in the FY 2011-12 State budget, it is contingent upon the State achieving specified revenue levels. If the State Department of Finance determines on December 15, 2011, that state revenues will be less than \$87.5 billion, the State will remove the IHSS fraud prevention funds from the budget and will not allocate funds to counties, even though counties may have incurred costs for their programs between July 1, 2011 and December 31, 2011. If that occurs, Sacramento County will have to cover any costs incurred for that time period which could amount to \$944,877 (\$447,877 for the DA, \$497,000 for DHA). DHHS employees on the Task Force are not grant funded and are able to continue with the Task Force.

In the event the State releases funds in December, the County will need to have applied for funding by October 28, 2011. Funding will be retroactive to July 1, 2011 so any resources dedicated to the program prior to December will be claimable. Funding requires a 15% County match, which equates annually to \$149,100 for DHA and \$134,363 for the DA. While the DA's match was included in its 2011-12 Recommended Budget, the match was not included in DHA's budget. This match would have to come from an additional General Fund allocation for DHA.

Recommendation

1. Direct staff in DHA to suspend participation in the IHSS Fraud Program until the State allocates funding for the program.

Proposal For In-Home Supportive Service Fraud Prevention Program For Fiscal Year 2011-12

Page 2

2. Direct staff to apply for State IHSS Fraud Program funds for FY 2011-12 to ensure funding in the event the State allocates sufficient funds to operate the program.

Measures/Evaluation

Staff anticipates some financial losses related to the suspension of this program and subsequent IHSS fraud.

Fiscal Impact

If State revenues meet targeted levels, Sacramento County anticipates an award of approximately \$2.3 million for FY 2011-12 of which \$345,000 would be the County's match. DHA will require a General Fund allocation augmentation of \$149,100 for its share of the full-year match. If DHA continues to staff the IHSS Fraud Program and State revenues are not forthcoming, DHA would require a General Fund allocation augmentation of \$497,000 or would have to cut other General Fund-supported programs such as General Assistance, County Medically Indigent Services, or Veterans' Services. DHA has already incurred approximately \$100,000 in costs to continue operating this program in July and part of August. Those will be General Fund costs if the State does not allocate funding for the IHSS fraud program. The DA budgeted for this program in their FY 2011-12 Recommended Budget and will claim the expenditures incurred between July and December totaling approximately \$447,877 if funding is awarded. Should the state suspend funding, the DA will absorb the expenditures through reductions.

BACKGROUND

History

In response to a Sacramento County Grand Jury report released March 23, 2009, and titled, "In-Home Supportive Services – For the Needy, Not the Greedy" and a request from the District Attorney (DA) to lead IHSS fraud investigations, the Board of Supervisors authorized the DA to establish the IHSS Fraud Task Force. The Task Force, which has been operational since July 1, 2009, developed an in-depth proposal, approved by the Executive Committee, designed to increase prosecutions and implement fraud deterrent activities to lower costs. In addition, the Task Force has developed methods for earlier detection and cutting off funds sooner to potentially fraudulent recipients and providers.

Prior to the formation of the IHSS Fraud Task Force, DHA Investigators conducted IHSS fraud investigations under a Memorandum of Understanding with DHHS. DHHS provided funding to cover the costs for the DHA staff, as well as for DA prosecution staff, using 2004 Quality Assurance Initiative (SB1104) funds. Due to budget reductions, DHHS cut their Quality Assurance Program in FY 2010-11 and this funding source is no longer available.

Funding

In FY 2009-10 and FY 2010-11, the State included IHSS anti-fraud funding in its budget which is paid through a combination of federal, state and local resources. For FY 2009-10, Sacramento County received \$3.1 million of the \$26.3 million statewide allocation and in FY 2010-11 Sacramento County received \$2.3 million of \$28.1 million. For FY 2009-10 only \$1.6 million of the \$3.1 million allocation was spent due to DHHS not using their allocated amount of \$937,370 and the IHSS Public Authority not using their allocated amount of \$261,140. With the County's

Proposal For In-Home Supportive Service Fraud Prevention Program For Fiscal Year 2011-12
Page 3

share of approximately 15%, the required match in FY 2009-10 was only \$244,027 and in FY 2010-11 it was \$280,048 due to claims totaling \$1.86 million.

The State budget for FY 2011-12 includes \$10 million in state funds for this program, the same amount budgeted in FY 2010-11. The amount of federal and county funds has not yet been identified, but it is anticipated that the total grant amount will be similar to prior years. Due to budget uncertainties at the State, funds will not be released until January 2012, and only if certain revenue projections have been reached.

Results

For FY 2009-10, the DA received 1,324 fraud referrals and calculated more than \$2 million dollars in overpayments (approximately \$380,000 in County General Fund considering a 19% County match). These figures include approximately \$165,000 in overpayments identified as the result of comparing IHSS recipient and provider data to death records, jail records and new hire information. The DA also filed criminal cases against 60 defendants with a total fraud amount of nearly \$800,000 (not all of this was in the IHSS program). Additionally, in 2010 the Task Force started a Fraud Recovery Desk on all cases with overpayments of \$1,000 or less. In four months of operation, the Fraud Recovery Desk sent out letters on cases totaling just under \$70,000, with a total recovery of approximately \$46,000 (total of agreements to repay and actual recovery).

According to the California Department of Social Services IHSS Management Statistic Summary released June 21, 2011, there has been a statewide increase in the number of In-Home Paid Cases between May 2010 and May 2011 of 4.9%. The State has also seen an increase in expense for all cases. To the contrary, Sacramento County has seen a year to year decrease in total expense since formation of the Task Force and institution of other measures by DHHS to prevent IHSS fraud. According to CDSS IHSS management statistics reports for May 2010, Sacramento County had 20,407 open cases at a monthly expense of \$24,468,000. In May 2011, Sacramento County had 19,201 open cases at a monthly expense of \$22,440,000. This reduction is likely due to a combination of the Task Force's fraud deterrent efforts and the changes in DHHS intake procedures.

DISCUSSION

Trigger

The FY 2011-12 Adopted State Budget includes total revenues of approximately \$88.5 billion. This amount assumes approximately \$4 billion more than actual projected revenue. If, by December 15, 2011, the State DOF projects State revenue will be less than \$87.5 billion (\$3 billion more than estimated), \$600 million in additional budget cuts will be "triggered". In this first "trigger", the IHSS anti-fraud grant is scheduled for elimination and counties with an approved fraud plan will not be reimbursed for their anti-fraud efforts. As a result of this uncertainty, DHA has suspended all efforts related to the IHSS Anti-Fraud Task Force pending further direction from the Board of Supervisors.

Proposal For In-Home Supportive Service Fraud Prevention Program For Fiscal Year 2011-12
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Board of Supervisor Budget Decision

During the June 2011 budget hearings, the Board of Supervisors approved the restoration of \$206,000 to the DA for prosecution of IHSS fraud. These dollars will be administered by the CEO's Office for the benefit of this program.

DHA Implications

There are significant risks to DHA by continuing the program in FY 2011-12. Since a funding decision will not be made until December 2011, any costs incurred during the first six months of the fiscal year will not be reimbursed if the trigger is pulled. For DHA this could amount to \$497,000 in county funds based on past expenditures.

If the program is funded DHA would have a 15 percent match requirement of approximately \$75,000 for July through December 2011 or \$149,100 for the full year. DHA has no source to meet this match requirement and would require a General Fund augmentation or would have to reduce other programs supported by the General Fund, such as General Assistance, Medically Indigent Services eligibility, or Veterans' Services.

DA Implications

The DA's Office claimed \$1.1 million in FY 2010-11 and anticipates full reimbursement less the required match of \$161,913. Due to the uncertainty of funding for FY 2011-12, the DA's Office has reduced staffing and associated expenditures for FY 2011-12 to \$895,753. Given the success in identifying and reducing IHSS fraud, the DA's Office will continue the program at a reduced level until notification from the State in December. Should funding be eliminated, the DA's Office will make the necessary reductions and absorb the expenditures in its budget.

MEASURES/EVALUATION

Staff anticipates some financial losses related to the suspension of this program and subsequent IHSS fraud.

FINANCIAL ANALYSIS

In FY 2010-11, DHA's portion of the \$2.3 million allocation was \$994,337 and the DA's portion was \$1,316,473. DHHS and the Public Authority did not claim any funds in FY 2010-11. For FY 2011-12, if revenues meet targeted levels, the State will allocate funding in January 2012. Sacramento County anticipates an award of approximately \$2.3 million of which \$345,000 will be County funds. This amount could be less if the overall IHSS Fraud Task Force budget is less or if actual expenditures are less than budgeted. DHA will require a General Fund allocation augmentation of \$149,100 for its share of the full-year match.

If revenues fall short of the target, no funding will be provided and all costs incurred since July 1, 2011 would be the responsibility of the departments. DHA has already incurred approximately \$100,000 in costs to continue operating this program in July and part of August. Without State revenues, this will be an unbudgeted General Fund cost. If DHA continues to staff the IHSS Fraud Program for the full year, and State revenues are not forthcoming, DHA would

Attachment II

Proposal For In-Home Supportive Service Fraud Prevention Program For Fiscal Year 2011-12
Page 5

require a General Fund allocation augmentation of \$994,000 or would have to cut other General Fund-supported programs such as General Assistance, County Medically Indigent Services, or Veterans' Services. Total costs could amount to nearly \$1 million.

Respectfully submitted,

APPROVED:
BRADLEY J. HUDSON
County Executive

JAN SCULLY
District Attorney

BY: _____
BRUCE WAGSTAFF
Agency Administrator
County Wide Services Agency

ANN EDWARDS
Director
Department of Health and Human Services

PAUL G. LAKE
Director
Department of Human Assistance

SACRAMENTO COUNTY BUDGET COMPLIANCE WITH APPROPRIATION LIMITS

In 1979, California voters passed Proposition 4 which imposed constitutional limits on certain kinds of appropriations made from tax revenues (Article XIII B). Proposition 4 established a limit on the growth of certain appropriations based on changes in population and cost of living. In 1990, voters passed Proposition 111, which changed some of the provisions of Article XIII B.

Sacramento County's appropriation limit is established as required by Article XIII B of the State Constitution. The table below sets forth the appropriation limit and the appropriations subject to limitation.

With the adoption of the final budget, the Board of Supervisors also approves publication of the annual appropriation limit set by Article XIII B of the State Constitution. The appropriation limit is formally established by the Board of Supervisors.

SACRAMENTO COUNTY APPROPRIATION LIMIT			
	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
2006-07	1,524,247,420	397,063,468	1,127,183,952
2007-08	1,630,295,501	409,499,797	1,220,795,704
2008-09	1,733,049,717	391,196,747	1,341,852,970
2009-10	1,758,616,880	371,296,728	1,387,320,152
2010-11	1,733,315,623	330,537,042	1,402,778,581
2011-12 (Budget)	1,763,140,317	333,720,669	1,429,419,648

THE COUNTY BUDGET (REQUIREMENTS) FUNCTIONS DESCRIPTIONS

PUBLIC ASSISTANCE:

- Human Assistance-Administration – Social Services Department, Adoptions, Food Stamps, Veterans Service Officer.
- Human Assistance – Aid – programs.
- Other Assistance – Child Support Services.

HEALTH AND SANITATION:

Health – Environmental Management, Health and Human Services, First 5 Sacramento Commission, Juvenile Medical Services, In-Home Support Services Provider Payments, Medical Treatment Payments, Correctional Health Services, Health Care/Uninsured, Office of Compliance, and Office of Inspector General.

ROADS:

Public Ways and Facilities –Sacramento County Roads, Roadways, Transportation-Sales Tax, Road Construction and Maintenance and Street Lighting (if part of road construction), Rural Transit.

PUBLIC PROTECTION:

- Judicial – Contribution to Law library, Court-Non-Trial Court Funding, Court-County Contribution, Conflict Criminal Defenders, Sacramento Grand Jury, Court Paid County Services, Criminal Justice Cabinet, Public Defender and District Attorney.
- Police Protection – Sheriff’s Department.
- Detention and Correction – Care In Homes and Institutions-Juvenile Court Wards, Probation, and Sheriff-Detention and Correction.
- Protective Inspection – Agricultural Commissioner and Sealer of Weights and Measures, Building Inspection.
- Other Protection – Animal Care and Regulations, Wildlife Services, Contribution to Human Rights/Fair Housing, Coroner, Dispute Resolution Program, Data Processing-Law and Justice, Contribution to Local Agency Formation Commission, Planning and Community Development, Planning Commission, Emergency Services, and County Clerk/Recorder.

LIBRARY, CULTURAL, AND RECREATIONAL:

- Library – County Library Operation, Cooperative Extension.
- Cultural Services – Transient-Occupancy Tax.
- Recreation Facilities – Regional Parks, Propagation-Fish and Game, Golf.

GENERAL GOVERNMENT:

- Legislative and Administrative – Board of Supervisors and Clerk of the Board, County Executive, County Executive Cabinet.
- Finance – Assessor, Department of Finance (Auditor-Controller, Treasurer, Tax Collector), Tobacco Litigation Settlement, Non-Departmental Revenues-General Fund, Non-Departmental Cost-General Fund.
- Counsel – County Counsel.

GENERAL GOVERNMENT (CONT.):

- Personnel – Civil Service Commission, Office of Labor Relations, Personnel Services.

- Elections – Voter Registration and Elections.
- Property Management – Veteran’s Facility.
- Plant Acquisition – Capital Construction Buildings and Libraries – budget units accounting for acquisition of land, structures, and improvements, Park Construction.
- Promotion – Economic Development, Financing Transfers/Reimbursements-General Fund, Neighborhood Services.
- Other General – Data Processing, Revenue Recovery.

DEBT SERVICE, RESERVES, CONTINGENCIES:

Debt Service – Teeter Plan (retirement of long-term debt, interest on long-term debt, and interest on notes and warrants.

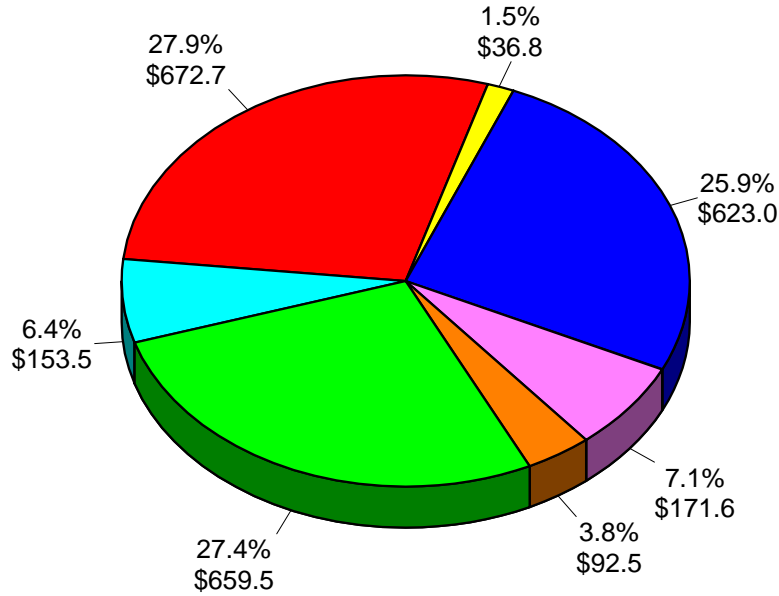
THE COUNTY BUDGET (REQUIREMENTS)

THE COUNTY BUDGET

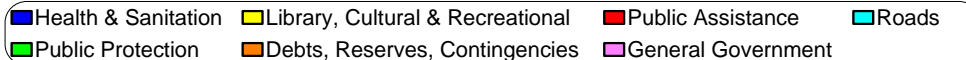
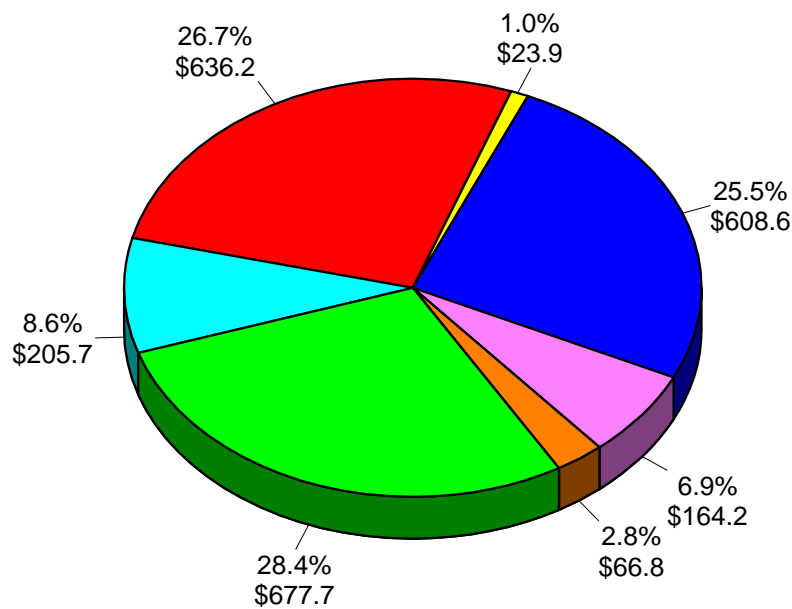
REQUIREMENTS

(Pie Chart Amounts Expressed In Millions)

2010-11 BUDGET TOTAL..... \$2,409,620,081



2011-12 BUDGET TOTAL..... \$2,383,126,250



SUMMARY TABLES FOR THE PIE CHARTS

<u>REQUIREMENTS</u>				
	Fiscal Year		Fiscal Year	
	2010-11	Percent	2011-12	Percent
Public Assistance	\$672,650,180	27.9%	\$636,205,963	26.7%
Health & Sanitation	622,998,535	25.9%	608,621,559	25.5%
Roads	153,537,861	6.4%	205,718,299	8.6%
Public Protection	659,514,941	27.4%	677,652,147	28.4%
Library, Cultural, Recreational	36,780,189	1.5%	23,927,700	1.0%
General Government	171,619,386	7.1%	164,229,024	6.9%
Debts, Reserve Increase, Contingencies	92,518,989	3.8%	66,771,558	2.8%
GRAND TOTAL	\$ 2,409,620,081	100.0%	\$ 2,383,126,250	100.0%
<u>FINANCING</u>				
	Fiscal Year		Fiscal Year	
	2010-11	Percent	2011-12	Percent
Taxes	\$445,246,013	18.5%	\$450,743,184	18.9%
Licenses, Permits, Franchises	37,915,462	1.6%	36,296,083	1.5%
Fines, Forfeitures, Penalties	31,530,485	1.3%	37,582,686	1.6%
Intergovernmental	1,435,799,790	59.6%	1,489,660,485	62.5%
Charges for Services	127,425,041	5.3%	128,129,204	5.4%
Other Revenues	223,058,731	9.3%	166,888,563	7.0%
Year-End Balance, Reserve Release	108,644,559	4.5%	73,826,045	3.1%
GRAND TOTAL	\$ 2,409,620,081	100.0%	\$ 2,383,126,250	100.0%

THE COUNTY BUDGET

(FINANCING) FUNCTIONS DESCRIPTIONS

TAXES:

Secured Property Taxes, Unsecured Property Taxes, Current Supplemental Property Taxes, Property Tax Unitary, Property Taxes Secured Delinquent, Property Tax Supplemental Delinquent, Property Tax Prior-Unsecured, Property Taxes Redemption, Penalty/Costs-Property Taxes, Sales Use Tax, One-Half Sales Tax, Transient Occupancy Tax, Property Tax Transfer, Property Tax In Lieu of Vehicle License Fee, In Lieu Local Sales and Use Tax.

LICENSES, PERMITS, FRANCHISES:

Animal Licenses, Business Licenses, Special Business Licenses, Fictitious Business Licenses, Roadway Development/Building Permits, Building Permits-Residential and Commercial, Encroachment Permits, Zoning Permits, Cable TV Franchise Fee, Franchise Fee-Other, Road Permits, Licenses/Permits-Other, Bingo License Fee.

FINES, FORFEITURES, PENALTIES:

Vehicle Code Fines, Other Court Fines, Forfeitures/Penalties, Civil Penalties, Federal Asset Forfeitures, State Asset Forfeitures.

INTERGOVERNMENTAL:

- Federal – Welfare Administration, Children Services Administration, Children Assistance Administration, other Welfare programs, other health programs, Planning and Construction, other miscellaneous programs.
- State – Cigarette Tax Unincorporated Area, Highway User Tax, Homeowner's Property Tax Relief, Motor Vehicle In Lieu Tax, Welfare, Welfare Administration, CALWIN, COPS, VHL mental health, Agriculture, Construction, Public Safety, Veterans Affairs, Trial Court, Health Administration, Services Program, Children's Assistance, other Welfare programs, other health programs, Realignment, Redevelopment pass through, revenue neutrality payments, other miscellaneous programs.

CHARGES FOR SERVICES:

Special Assessments, Civil Filings Fees, Vital Statistic Fees, Adoption Fees, Candidate Filing Fees, Civil Process Service Fees, Civil/Small Claims Filing Fees, Estate/Public Administration Fees, Recording Fees, Electricity Services Charges, Natural Gas Services Charges, Assessing/Collecting Fees, Auditing/Accounting Fees, Court/Legal Fees, Court Reporter Fees, Election Service Charges, Planning Service Charges, Planning/Engineering-Plan Check and Inspection Fees, Jail Booking Fees, Recreation Service Charges, Copying Charges, Building Maintenance Service Charges, Park/Grounds Maintenance Service Charges, Road Maintenance Service Charges, Crippled Children Treatment Charges, Medical Care-Indigent and Private Patient Charges, Medical Health Private Patient Charges, Alcoholism Services-Client Fees, Medical Care-Other, Institutional Care-Adult-Juvenile-State Institution Prisoner Charges, Work Furlough Charges, Data Processing Services, Auditor-Controller Services, Public Works Services, Leased Property Use Charges, Education/Training Charges, Cemetery Services, Humane Service, Law Enforcement Services, Milk Inspection Services, Service Fees/Charges-Other.

OTHER REVENUES:

- Use of Money and Property – Interest Income, Contributions, Building Rental-Other, Agricultural Leases-Other, Aviation Ground Leases, Ground Leases-Other, Food Service Concessions, Fuel Flowage Fees, Recreational Concession, Other Vending Devices.

OTHER REVENUES (CONT.):

- Miscellaneous Revenues – Countywide Cost Plan, Sales-Other, Cash Overages, Bad Debt Recovery, Aid Payment Recoveries, TRANS (Short Term Anticipation Notes)
- Reimbursement, Donations and Contributions, Electricity Resales, Insurance Proceeds, Revenue-Other, Assessment Fees, Child Support Recoveries, In-Kind Revenues, Prior Year Revenues.
- Other Financing Revenues – Sale of Real Property, Proceeds from Asset Sales-Other, Gain on Sale of Fixed Asset, Debt issue Financing, Vending Card Revenue, Medical Fee Collections.

YEAR-END BALANCE, RESERVE RELEASE:

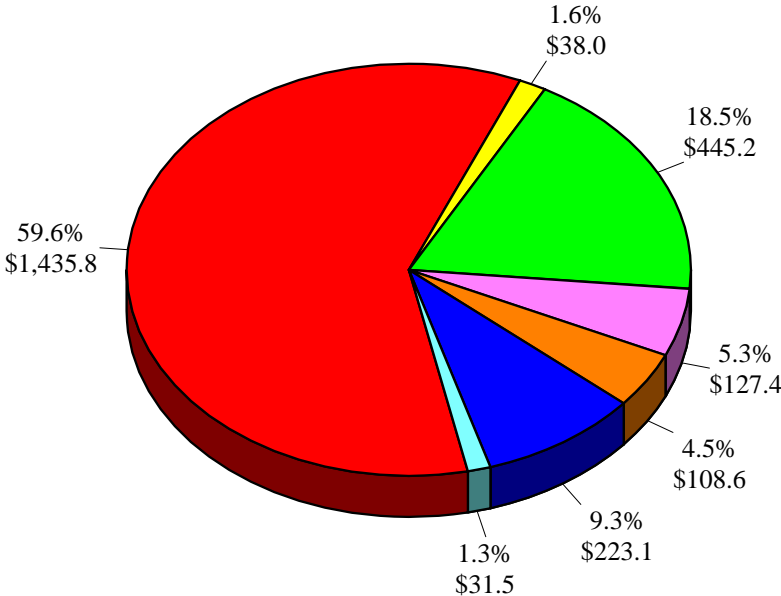
Prior-Year Carryover/Fund Balance, Reserve Release.

THE COUNTY BUDGET (FINANCING)

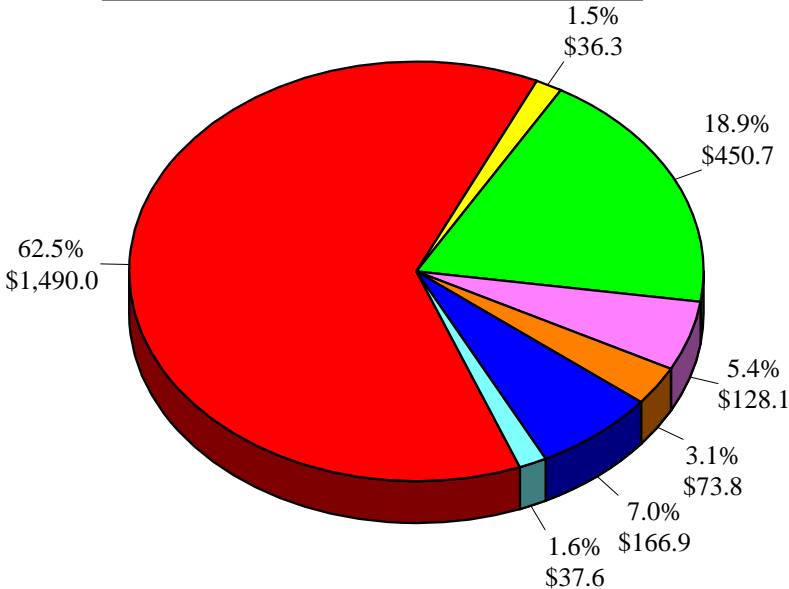
THE COUNTY BUDGET FINANCING

(Pie Chart Amounts Expressed In Millions)

2010-11 BUDGET TOTAL..... \$2,409,620,081



2011-12 BUDGET TOTAL..... \$2,383,126,250



- Taxes
- Licenses, Permits, Franchises
- Intergovernmental
- Fines, Forfeitures, Penalties
- Other Revenues
- Year-End Balance, Reserve Release
- Charges for Services

SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2010-11	Adopted 2011-12	Variance	Percent
GENERAL	001A	8,138,537	9,403,535	1,264,998	15.5%
FISH AND GAME	002A	-9,544	9,245	18,789	-196.9%
HEALTH CARE/UNINSURED	004A	151,153	-30	-151,183	-100.0%
ROAD	005A	16,827,508	9,784,733	-7,042,775	-41.9%
PARKS CONSTRUCTION	006A	-81,042	-646,267	-565,225	697.4%
CAPITAL CONSTRUCTION	007A	8,333,316	3,510,188	-4,823,128	-57.9%
TOBACCO LITIGATION SETTLEMENT	008A	1,171,500	337,954	-833,546	-71.2%
ENVIRONMENTAL MANAGEMENT	010B	1,833,766	786,435	-1,047,331	-57.1%
LIBRARY	011A	8,821,484	413,073	-8,408,411	-95.3%
FIRST 5 SACRAMENTO COMMISSION	013A	25,091,005	10,643,348	-14,447,657	-57.6%
TRANSIENT OCCUPANCY	015A	4,336,067	208,205	-4,127,862	-95.2%
TEETER PLAN	016A	446,631	5,393,384	4,946,753	1107.6%
GOLF	018A	-734,040	-1,218,554	-484,514	66.0%
ECONOMIC DEVELOPMENT	020A	12,999,602	11,977,114	-1,022,488	-7.9%
BUILDING INSPECTION	021A	1,339,066	1,901,195	562,129	42.0%
ROADWAYS	025A-H	13,365,030	5,237,817	-8,127,213	-60.8%
TRANSPORTATION-SALES TAX	026A	-16,265,875	-4,615,502	11,650,373	-71.6%
SOLID WASTE ENTERPRISE	051A	4,704,972	7,397,299	2,692,327	57.2%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	4,918,481	6,571,773	1,653,292	33.6%
RURAL TRANSIT	068A	-3,515,486	-1,687,320	1,828,166	-52.0%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	2,878,302	2,874,396	-3,906	-0.1%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	2,443,998	2,584,628	140,630	5.8%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	1,269,488	1,260,912	-8,576	-0.7%
VINEYARD PFFP - ROADWAYS	108A-B	7,810,633	7,726,598	-84,035	-1.1%
BRADSHAW/US 50 FINANCING DISTRICT	115A	203,058	170,900	-32,158	-15.8%
FLORIN ROAD CAPITAL PROJECT	118A	429,011	423,321	-5,690	-1.3%
FULTON AVENUE CAPITAL PROJECT	118B	39,575	31,897	-7,678	-19.4%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	100,882	96,228	-4,654	-4.6%
PARK MEADOWS CFD-BOND PROCEEDS	131A	135,475	111,606	-23,869	-17.6%
MATHER LANDSCAPE MAINT CFD	132A	267,310	293,024	25,714	9.6%
MATHER PFFP	136A-B	1,521,001	1,223,322	-297,679	-19.6%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	32,673	44,505	11,832	36.2%
METRO AIR PARK CFD 2000-1	139A	20,213,349	8,833,597	-11,379,752	-56.3%
MCCLELLAN PARK CFD	140A	1,137,016	1,153,895	16,879	1.5%
SACRAMENTO CO LANDSCAPE MAINT	141A	147,857	229,771	81,914	55.4%
METRO AIR PARK SERVICE TAX	142A	857,030	644,127	-212,903	-24.8%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	1,960,812	676,227	-1,284,585	-65.5%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	1,581,087	1,581,805	718	0.0%
NATOMAS FIRE DISTRICT	229A	1,201,212	129,235	-1,071,977	-89.2%
CSA NO. 1	253A	523,613	228,949	-294,664	-56.3%
CSA NO. 10	257A	27,547	19,545	-8,002	-29.0%
FIXED ASSET REVOLVING	277A	-981,936	300,898	1,282,834	-130.6%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	27,497	44,165	16,668	60.6%
2004 PENSION OBLIGATION BONDS	282A	2,866,109	3,066,535	200,426	7.0%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	26,531,209	21,700,861	-4,830,348	-18.2%
CAPITAL PROJECTS-DEBT SERVICE	287A	0	0	0	
1997-PUBLIC FACILITIES DEBT SERVICE	288A	385,864	777,701	391,837	101.5%
JAIL DEBT SERVICE	292A	0	0	0	
2003 PUBLIC FACILITIES PROJ-DEB SERVICE	298A	29,842	44,571	14,729	49.4%
2010 REFUNDING COPS-DEBT SERVICE	300A	283	260,486	260,203	91944.5%
2010 REFUNDING COPS-PARKING GARAGE-DEBT SERVICE	300B	0	58,763	58,763	

**GENERAL BUDGET
INFORMATION**

SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2010-11	Adopted 2011-12	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-CONSTRUCTION	303A	4,899,072	4,899,072	0	0.0%
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	938,962	303,401	-635,561	-67.7%
2006 PUBLIC FACILITIES-DEBT SVC	306A	3,666,868	2,624,875	-1,041,993	-28.4%
1997-PUBLIC FACILITIES DEBT SERVICE	308A	268,311	507,247	238,936	89.1%
1997-PUBLIC FACILITIES-CONSTRUCTION	309A	1,314,691	553,981	-760,710	-57.9%
PENSION BOND-INT RATE STABILIZATION	311A	211,509	103,218	-108,291	-51.2%
PENSION OBLIGATION BOND-DEBT SERVICE	313A	5,900,227	7,874,308	1,974,081	33.5%
WATER AGENCY-ZONE 11A	315A	6,606,206	7,726,740	1,120,534	17.0%
WATER AGENCY-ZONE 13	318A	947,073	1,532,862	585,789	61.9%
STORMWATER UTILITY DISTRICT	322A	8,067,123	7,225,900	-841,223	-10.4%
LANDSCAPE MAINTENANCE DISTRICT	330A	147,334	94,286	-53,048	-36.0%
MISSION OAKS PARK DISTRICT	336A	972,945	849,702	-123,243	-12.7%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	647,272	660,734	13,462	2.1%
CARMICHAEL PARK DISTRICT	337A	409,049	118,891	-290,158	-70.9%
SUNRISE PARK DISTRICT	338A	1,815,497	1,764,739	-50,758	-2.8%
ANTELOPE ASSESSMENT	338B	376,922	811,432	434,510	115.3%
DEL NORTE OAKS PARK DISTRICT	351A	2,729	1,553	-1,176	-43.1%
COUNTY SERVICE AREA 4B	560A	52,989	46,734	-6,255	-11.8%
COUNTY SERVICE AREA 4C	561A	26,784	23,277	-3,507	-13.1%
COUNTY SERVICE AREA 4D	562A	-1,668	1,211	2,879	-172.6%
COUNTY PARKS CFD 2006-1	563A	1,467	1,686	219	14.9%
TOTAL		202,783,290	159,725,942	-43,057,348	-21.2%

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
001A	GENERAL FUND	3210000	AG COMMISSIONER-SEALER OF WEIGHTS & MEASURES
001A	GENERAL FUND	3220000	ANIMAL CARE AND REGULATION
001A	GENERAL FUND	5980000	APPROPRIATION FOR CONTINGENCY
001A	GENERAL FUND	3610000	ASSESSOR
001A	GENERAL FUND	4050000	BOARD OF SUPERVISORS
001A	GENERAL FUND	6760000	CARE IN HOMES AND INSTITUTIONS
001A	GENERAL FUND	5810000	CHILD SUPPORT SERVICES
001A	GENERAL FUND	4210000	CIVIL SERVICE COMMISSION
001A	GENERAL FUND	4010000	CLERK OF THE BOARD
001A	GENERAL FUND	5720000	COMMUNITY PLANNING AND DEVELOPMENT
001A	GENERAL FUND	5510000	CONFLICT CRIMINAL DEFENDERS
001A	GENERAL FUND	4660000	CONTRIBUTION TO HUMAN RIGHTS/FAIR HOUSING
001A	GENERAL FUND	5920000	CONTRIBUTION TO LAFCO
001A	GENERAL FUND	4650000	CONTRIBUTION TO PARATRANSIT
001A	GENERAL FUND	4522000	CONTRIBUTION TO THE LAW LIBRARY
001A	GENERAL FUND	3310000	COOPERATIVE EXTENSION
001A	GENERAL FUND	4610000	CORONER
001A	GENERAL FUND	7410000	CORRECTIONAL HEALTH SERVICES
001A	GENERAL FUND	3240000	COUNTY CLERK/RECORDER
001A	GENERAL FUND	4810000	COUNTY COUNSEL
001A	GENERAL FUND	5910000	COUNTY EXECUTIVE
001A	GENERAL FUND	5730000	COUNTY EXECUTIVE CABINET
001A	GENERAL FUND	5040000	COURT / COUNTY CONTRIBUTION
001A	GENERAL FUND	5020000	COURT / NON-TRIAL COURT FUNDING
001A	GENERAL FUND	5050000	COURT PAID COUNTY SERVICES
001A	GENERAL FUND	5750000	CRIMINAL JUSTICE CABINET
001A	GENERAL FUND	5710000	DATA PROCESSING-SHARED SYSTEMS
001A	GENERAL FUND	3700000	DEPARTMENT OF BEHAVIORAL HEALTH SERVICES
001A	GENERAL FUND	3230000	DEPARTMENT OF FINANCE
001A	GENERAL FUND	6110000	DEPARTMENT OF REVENUE RECOVERY
001A	GENERAL FUND	5520000	DISPUTE RESOLUTION PROGRAM
001A	GENERAL FUND	5800000	DISTRICT ATTORNEY
001A	GENERAL FUND	7090000	EMERGENCY OPERATIONS
001A	GENERAL FUND	5690000	ENVIRONMENTAL REVIEW AND ASSESSMENT
001A	GENERAL FUND	5110000	FINANCING-TRANSFERS/REIMBURSEMENTS
001A	GENERAL FUND	5660000	GRAND JURY
001A	GENERAL FUND	7200000	HEALTH AND HUMAN SERVICES
001A	GENERAL FUND	7270000	HEALTH-MEDICAL TREATMENT PAYMENTS
001A	GENERAL FUND	8100000	HUMAN ASSISTANCE-ADMINISTRATION
001A	GENERAL FUND	8700000	HUMAN ASSISTANCE-AID PAYMENTS
001A	GENERAL FUND	7250000	IN-HOME SUPPORT SERVICES (IHSS) PROVIDER PAYMENTS
001A	GENERAL FUND	7230000	JUVENILE MEDICAL SERVICES
001A	GENERAL FUND	5970000	LABOR RELATIONS
001A	GENERAL FUND	5760000	NEIGHBORHOOD SERVICES
001A	GENERAL FUND	5770000	NON-DEPARTMENTAL COSTS/GENERAL FUND
001A	GENERAL FUND	5700000	NON-DEPARTMENTAL REVENUES/GENERAL FUND
001A	GENERAL FUND	5740000	OFFICE OF COMPLIANCE
001A	GENERAL FUND	5780000	OFFICE OF INSPECTOR GENERAL
001A	GENERAL FUND	6050000	PERSONNEL SERVICES
001A	GENERAL FUND	6610000	PLANNING AND COMMUNITY DEVELOPMENT
001A	GENERAL FUND	6700000	PROBATION
001A	GENERAL FUND	6910000	PUBLIC DEFENDER
001A	GENERAL FUND	6400000	REGIONAL PARKS
001A	GENERAL FUND	7400000	SHERIFF
001A	GENERAL FUND	2820000	VETERAN'S FACILITY
001A	GENERAL FUND	4410000	VOTER REGISTRATION AND ELECTIONS
001A	GENERAL FUND	3260000	WILDLIFE SERVICES
002A	FISH AND GAME	6460000	FISH AND GAME PROPAGATION
004A	HEALTH CARE/UNINSURED	8900000	HEALTH CARE / UNINSURED
005A	ROAD	2900000	ROADS
006A	PARKS CONSTRUCTION	6570000	PARK CONSTRUCTION
007A	CAPITAL CONSTRUCTION	3100000	CAPITAL CONSTRUCTION
008A	TOBACCO LITIGATION SETTLEMENT	7220000	TOBACCO LITIGATION SETTLEMENT
010B	ENVIRONMENTAL MANAGEMENT	3350000	ENVIRONMENTAL MANAGEMENT
011A	LIBRARY	6310000	COUNTY LIBRARY
012A	COMMUNITY SERVICES	8600000	COMMUNITY SERVICES
013A	FIRST 5 SACRAMENTO COMMISSION	7210000	FIRST 5 SACRAMENTO COMMISSION
015A	TRANSIENT OCCUPANCY	4060000	TRANSIENT-OCCUPANCY TAX
016A	TEETER PLAN	5940000	TEETER PLAN
018A	GOLF	6470000	GOLF

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
020A	ECONOMIC DEVELOPMENT	3870000	ECONOMIC DEVELOPMENT
021A	BUILDING INSPECTION	2150000	BUILDING INSPECTION
025A	ROADWAYS	2910000	ROADWAYS
026A	TRANSPORTATION-SALES TAX	2140000	TRANSPORTATION-SALES TAX
028A	CONNECTOR JOINT POWERS AUTHORITY	2800000	CONNECTOR JOINT POWERS AUTHORITY
030A	INTERAGENCY PROCUREMENT	9030000	INTERAGENCY PROCUREMENT
031A	OFFICE OF COMMUNICATION AND INFORMATION TECHNOLOGY	7600000	OFFICE OF COMMUNICATION AND INFORMATION TECHNOLOGY
032C	REAL ESTATE DIVISION	7930000	REAL ESTATE DIVISION
033A	PUBLIC WORKS-OPERATIONS	2700000	MUNICIPAL SERVICES (MS)-ADMINISTRATIVE SERVICES
033A	PUBLIC WORKS-OPERATIONS	2420000	MS-ARCHITECTURAL SERVICES
033A	PUBLIC WORKS-OPERATIONS	2400000	MS-BUILDING AND CODE ENFORCEMENT DEPARTMENT
033A	PUBLIC WORKS-OPERATIONS	2470000	MS-CONSOLIDATED UTILITIES BILLING SERVICES
033A	PUBLIC WORKS-OPERATIONS	2300000	MS-CONSTRUCTION MANAGEMENT
033A	PUBLIC WORKS-OPERATIONS	2450000	MS-DEVELOPMENT & SURVEYOR SERVICES
033A	PUBLIC WORKS-OPERATIONS	2600000	MS-TRANSPORTATION
033A	PUBLIC WORKS-OPERATIONS	2510000	MS-WATER RESOURCES
034A	GENERAL SERVICES-CAPITAL OUTLAY	2070000	GENERAL SERVICES (GS)-CAPITAL OUTLAY
035C	ADMINISTRATIVE SERVICES-GS	7110000	GENERAL SERVICES-OFFICE OF THE DIRECTOR
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007440	GENERAL SERVICES-AIRPORT DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007420	GENERAL SERVICES-BRADSHAW DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007430	GENERAL SERVICES-DOWNTOWN DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007046	GENERAL SERVICES-ENERGY MANAGEMENT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7450000	GENERAL SERVICES-SECURITY SERVICES
035H	CONTRACT & PURCHASING SERVICES-GS	7007063	GENERAL SERVICES-PURCHASING
035J	GENERAL SERVICES-SUPPORT SERVICES	7700000	GENERAL SERVICES-SUPPORT SERVICES
035K	GENERAL SERVICES-REAL ESTATE	7007030	GENERAL SERVICES-REAL ESTATE
035L	GENERAL SERVICES-LIGHT EQUIPMENT	7007500	GENERAL SERVICES-LIGHT EQUIPMENT
035M	FLEET SERVICES HEAVY EQUIP	7007600	GENERAL SERVICES-HEAVY EQUIPMENT
037A	LIABILITY PROPERTY INSURANCE	3910000	LIABILITY PROPERTY INSURANCE
039A	WORKERS COMPENSATION INSURANCE	3900000	WORKERS COMPENSATION INSURANCE
040A	UNEMPLOYMENT INSURANCE	3930000	UNEMPLOYMENT INSURANCE
041A-045A	AIRPORT MAINTENANCE	3400000	AIRPORT SYSTEM
043A	AIRPORT CAPITAL IMPROVEMENT	3480000	AIRPORT SYSTEM-CAPITAL OUTLAY
051A	SOLID WASTE OPERATIONS	2200000	SOLID WASTE ENTERPRISE
052A	SOLID WASTE CAPITAL	2250000	SOLID WASTE ENTERPRISE-CAPITAL OUTLAY
056A	PARKING ENTERPRISE	7990000	PARKING ENTERPRISE
059A	REGIONAL RADIO COMMUNICATIONS SYSTEM	7020000	REGIONAL RADIO COMMUNICATIONS SYSTEM
060B	BOARD OF RETIREMENT	7860000	BOARD OF RETIREMENT
068A	PUBLIC WORKS TRANSIT PROGRAM	2930000	RURAL TRANSIT
101A	ANTELOPE PUBLIC FACILITIES FINANCING	3070000	ANTELOPE PUBLIC FACILITIES FINANCING PLAN (PFFP)
105A	LAGUNA CREEK/ELLIOTT RANCH CFD	2870000	LAGUNA CREEK/ELLIOTT RANCH COMMUNITY FACILITIES DISTRICT (CFD) NO. 1
107A	LAGUNA COMMUNITY FACILITY DISTRICT	3090000	LAGUNA COMMUNITY FACILITY DISTRICT
108A	VINEYARD PFFP - ROADWAYS	2840000	VINEYARD PUBLIC FACILITIES FINANCING PLAN
115A	BRADSHAW/US 50 FINANCING DISTRICT	3081000	BRADSHAW/US 50 FINANCING DISTRICT
118A	FLORIN ROAD CAPITAL PROJECT	1182880	FLORIN ROAD CAPITAL PROJECT
118B	FULTON AVENUE CAPITAL PROJECT	1182881	FULTON AVENUE CAPITAL PROJECT
130A	LAGUNA STONELAKE CFD-BOND PROCEEDS	1300000	LAGUNA STONELAKE CFD
131A	PARK MEADOWS CFD-BOND PROCEEDS	1310000	PARK MEADOWS CFD-BOND PROCEEDS
132A	MATHER LANDSCAPE MAINTENANCE CFD	1320000	MATHER LANDSCAPE MAINTENANCE CFD
136A	MATHER PFFP	1360000	MATHER PFFP
137A	GOLD RIVER STATION #7 LANDSCAPE CFD	1370000	GOLD RIVER STATION #7
139A	METRO AIR PARK CFD 2000-1	1390000	METRO AIR PARK
140A	MCCLELLAN CFD 2004-1	1400000	MCCLELLAN PARK CFD
141A	SACRAMENTO CO LANDSCAPE MAINTENANCE	1410000	SACRAMENTO COUNTY LANDSCAPE MAINTENANCE
142A	METRO AIR PARK SERVICE TAX	1420000	METRO AIR PARK SERVICE TAX
143A	NVSSP-ROADWAY	1430000	NORTH VINEYARD STATION SPECIFIC PLAN (NVSSP)
144A	NVSSP CFD 2005-2-ADMIN	1440000	NORTH VINEYARD STATION SPECIFIC PLAN CFD
229A	NATOMAS FIRE DISTRICT	2290000	NATOMAS FIRE DISTRICT
253A	CSA NO. 1	2530000	COUNTY SERVICE AREA (CSA) NO. 1
257A	CSA NO. 10	2857000	CSA NO. 10
261A	REGIONAL SANITATION DISTRICT	3028000	REGIONAL SANITATION DISTRICT
267A	SACRAMENTO AREA SEWER OPERATIONS	3005000	SACRAMENTO AREA SEWER OPERATIONS
277A	FIXED ASSET REVOLVING	9277000	FIXED ASSET REVOLVING
278A	1990 FIXED ASSET DEBT SERVICE	9278000	1990 FIXED ASSET DEBT SERVICE
280A	JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	9280000	JUVENILE COURTHOUSE-DEBT SERVICE
282A	2004 PENSION OBLIGATION BOND-DEBT SERVICE	9282000	2004 PENSION OBLIGATION BONDS
284A	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	9284000	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS
287A	CAPITAL PROJECTS-DEBT SERVICE	9287000	CAPITAL PROJECTS-DEBT SERVICE
288A	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE	9288000	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE

**GENERAL BUDGET
INFORMATION**

**RELATIONSHIP BETWEEN FUNDS, BUDGET
UNITS AND DEPARTMENTS**

Fund	Fund Name	Budget Unit	Department
292A	JAIL DEBT SERVICE	2920000	JAIL DEBT SERVICE
298A	2003 PUBLIC FACILITIES PROJ-DEBT SERVICE	9298000	2003 PUBLIC FACILITIES-DEBT SERVICE
300A	2010 REFUNDING COPS-DEBT SERVICE	9300000	2010 REFUNDING COPS-DEBT SERVICE
300B	2010 REFUNDING COPS-PG-DEBT SERVICE	9300500	2010 REFUNDING COPS PARKING GARAGE-DEBT SERVICE
303A	2007 PUBLIC FACILITIES PROJ-CONSTRUCTION	9303303	2007 PUBLIC FACILITIES PROJECT-CONSTRUCTION
304A	2007 PUBLIC FACILITIES PROJ-DEBT SERVICE	9304304	2007 PUBLIC FACILITIES PROJECT-DEBT SERVICE
306A	2006 PUBLIC FACILITIES PROJ-DEBT SERVICE	9306306	2006 PUBLIC FACILITIES-DEBT SERVICE
308A	1997-PUBLIC FACILITIES DEBT SERVICE	3080000	1997-PUBLIC FACILITIES-DEBT SERVICE
309A	1997-PUBLIC FACILITIES-CONSTRUCTION	9309000	1997-PUBLIC FACILITIES-CONSTRUCTION
311A	PENSION BOND-INTEREST RATE STABILIZATION	9311000	PENSION OBLIGATION BOND-INTEREST RATE STABILIZATION
313A	PENSION OBLIGATION BOND-DEBT SERVICE	9313000	PENSION OBLIGATION BOND-DEBT SERVICE
314A	BEACH STONE LAKE FLOOD MITIGATION	2814000	BEACH STONE LAKES FLOOD MITIGATION
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
315A	WATER AGENCY-ZONE 11A	2815000	WATER AGENCY-ZONE 11A
315B	WATER AGENCY-ZONE 11B	2816000	WATER AGENCY-ZONE 11B
315C	WATER AGENCY-ZONE 11C	2817000	WATER AGENCY-ZONE 11C
316A	NORTH VINEYARD STATION RIGHT OF WAY	2818000	NORTH VINEYARD STATION
318A	WATER AGENCY-ZONE 13	3044000	WATER AGENCY-ZONE 13
319A	WATER AGENCY-ZONE 12	3066000	WATER AGENCY-ZONE 12
320A	WATER AGENCY ENTERPRISE	3050000	WATER AGENCY ENTERPRISE
322A	WATER RESOURCES	3220001	WATER RESOURCES
325A	SACRAMENTO AREA FLOOD CONTROL AGENCY	3252660	DEPARTMENT OF FLOOD MANAGEMENT
330A	SACRAMENTO CO LANDSCAPE MAINTENANCE	3300000	LANDSCAPE MAINTENANCE DISTRICT
336A	MISSION OAKS PARK DISTRICT	9336100	MISSION OAKS RECREATION AND PARK DISTRICT
336B	MISSION OAKS MAINTENANCE & IMPROVEMENT ASSESSMENT DISTRICT	9336001	MISSION OAKS MAINTENANCE/IMPROVEMENT DISTRICT
337A	CARMICHAEL PARK DISTRICT	9337000	CARMICHAEL RECREATION AND PARK DISTRICT
338A	SUNRISE PARK DISTRICT	9338000	SUNRISE RECREATION AND PARK DISTRICT
338B	ANTELOPE ASSESSMENT	9338001	ANTELOPE ASSESSMENT
351A	DEL NORTE OAKS PARK DISTRICT	3516494	DEL NORTE OAKS PARK DISTRICT
560A	COUNTY SERVICE AREA 4B	6491000	CSA NO.4B-(WILTON-COSUMNES)
561A	COUNTY SERVICE AREA 4C	6492000	CSA NO.4C-(DELTA)
562A	COUNTY SERVICE AREA 4D	6493000	CSA NO.4D-(HERALD)
563A	COUNTY PARKS CFD 2006-1	6494000	COUNTY PARKS CFD 2006-1

DESCRIPTION OF COUNTY FUNDS

GENERAL FUND 001:

The principal fund of the County, and is used to account for all activities of the County not included in other specified funds. It also accounts for most general government activities.

SPECIAL REVENUE FUNDS:

- Fish and Game Propagation Fund 002 – Accounts for activities related to fish and game, including education.
- Health Care/Uninsured Fund 004 – Accounts for addressing health care problems of the uninsured county residents.
- Road Fund 005 – Accounts for Sacramento County road activities in the unincorporated area, including design, construction, and maintenance of roads, traffic signals, other right-of-way, safety-related road improvement projects, and the Radar/Speed Control program.
- Tobacco Litigation Settlement Fund 008 – Accounts for the Tobacco Litigation Settlement revenues for programs related to health, youth and tobacco prevention.
- Environmental Management Fund 010 – Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials.
- Library Fund 011 – Accounts for the County's share of revenue and operating transfer to Library Joint Powers Authority (JPA).
- First 5 Sacramento Commission Fund 013 – Accounts for funds received from State of California from Proposition 10.
- Transient-Occupancy Tax Fund 015 – Accounts for the revenues generated from a transient-occupancy tax of twelve percent of the rent charged at hotels, motels, and similar structures for short-term lodging. Expenditures from this fund are for artistic, musical, cultural, civic and other activities, which enhance the image of the community.
- Golf Fund 018 – Includes the costs of operating, maintaining and improving the county's three golf courses. The major sources of funding are greens fees and concession payments. There is no General Fund subsidy and fully reimburses the General Fund for overhead and support services.
- Economic Development and Intergovernmental Affairs Fund 020 – Accounts for assistance to employers and to help attract and retain jobs in the county and region. The Department also engages in more general economic development and job creation programs.
- Building Inspection Fund 021 – Accounts for building inspection and code enforcement services to the unincorporated area of the County.
- Roadways Fund 025 – Accounts for public road improvements with several geographical districts in response to land use development decisions.
- Transportation Sales Tax Fund 026 – Accounts for the public road improvements in the unincorporated area of the County, which are funded from the Measure A Transportation Sales Tax.
- Rural Transit Fund 068 – Accounts for operations of the South County Transit Program.

CAPITAL PROJECT FUNDS:

- Park Construction Fund 006 – Accounts for the acquisition, development and improvement of county park properties.
- Capital Construction Fund 007 – Accounts for general capital outlay expenditures of the County.

DEBT SERVICE FUNDS:

Teeter Plan Fund 016 – Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the “Teeter Plan”.

INTERNAL SERVICE FUNDS:

- Interagency Procurement Fund 030 – Accounts for a comprehensive approach to providing for and financing public facilities and major infrastructure assets within the County.
- Office of Communications and Information Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- Real Estate Division Fund 032 – Accounts for real estate services for County departments and Special District public infrastructure and facility projects.
- Public Works Fund 033 – Accounts for special services provided by the Municipal Services Agency to other County departments and special districts. These services include Special District Formation, Highways and Bridges, Architectural, Development and Surveyor, Information and Permits, Consolidated Utilities Billing, Technical Services and Construction Management.
- General Services Funds 034 and 035 – Created to centralize many of the activities providing services to County departments. These activities include Automobile Fleet Operations, Purchasing, Printing, Mail, Central Stores, Surplus Property Disposal, and Building Maintenance and Operations.
- Liability/Property Self-Insurance Fund 037 – Accounts for the County’s program of self-insurance for liability/property perils.
- Workers’ Compensation Self-Insurance Fund 039 – Accounts for the County’s self-insurance of all workers’ compensation claims.
- Unemployment Self-Insurance Fund 040 – Accounts for the County’s self-insurance of all unemployment claims.
- Regional Radio Communications System Fund 059 – Accounts for the operations of the County’s emergency communications function.
- Board of Retirement Fund 060 – Accounts for activities related to the management of the Sacramento County Employees’ Retirement System.

ENTERPRISE FUNDS:

- Airport System Funds 041, 042, 043, 044, 045 – Accounts for the operations of the Airport Department, including the Metro, Executive, and Franklin Airports, and Mather Airfield.
- Solid Waste Enterprise Funds 051 and 052 – Accounts for the costs of the refuse collection business, including the refuse disposal site and transfer locations.
- Parking Enterprise Fund 056 – Accounts for all downtown parking facilities, which generate revenues from user fees from both the public and county employees.

ENTERPRISE FUNDS (cont.) :

- Water Agency Enterprise Fund 320 – Accounts for operations of the Water Agency Supply Division, which generate revenues from developer fees and businesses and individuals that purchase water from the Water Agency.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS:

- Connector Joint Powers Authority Fund 028 – Accounts for the operations of the proposed Capital SouthEast Connector. Only the salary and benefit appropriations are reflected in the County budget document.
- Antelope Public Facilities Financing Plan Fund 101 – Accounts for public facilities in the Antelope area including construction of roadway, park, fire protection facilities, and storm drainage and water supply mitigation measures.
- Laguna Creek/Elliott Ranch Community Facilities District (CFD) Number 1 Fund 105 – Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch Community Facilities District.
- Laguna Community Facility District Fund 107 – Accounts for construction activity in the Laguna Community Facilities District.
- Vineyard Public Facilities Financing Plan (PFFP) Fund 108 – Accounts for portions of major public infrastructure necessary for the Vineyard area to urbanize including construction of major freeway interchanges, roadways, public transit, library, community center and park facilities.
- Bradshaw/US 50 Financing District Fund 115 – Accounts for portions of major infrastructure necessary for Sacramento County residents, local employees, and business customers to efficiently utilize transportation facilities in the Bradshaw Road and US 50 areas.
- Florin Road/Fulton Avenue Capital Projects Fund 118 – Accounts for services and enhancements in the Florin Road and Fulton Avenue areas.
- Laguna Stonelake CFD Fund 130 – Accounts for portions of the public infrastructure and public facilities necessary to urbanize the Laguna Stonelake area including construction of roadway, drainage, sewer, water, library, and park and fire protection facilities.
- Park Meadows CFD-Bond Proceeds Fund 131 – Accounts for the necessary acquisition and construction of West Stockton Boulevard.
- Mather Landscape Maintenance CFD Fund 132 – Accounts for landscape maintenance and installation services associated with the Independence at Mather residential subdivision.
- Mather PFFP Fund 136 – Accounts for portions of the major public infrastructure roadway facilities necessary for the Mather area to develop.
- Gold River Station Number 7 Fund 137 – Accounts for landscape maintenance services associated with the Gold River Station Number 7 Landscape CFD.
- Metro Air Park Fund 139 – Accounts for construction activity in the Metro Air Park Community Facilities District.
- McClellan Park CFD Fund 140 – Accounts for portions of the public infrastructure and public facilities necessary for the reuse of McClellan Park CFD including construction of roadway, drainage, sewer and landscape facilities.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS(cont.) :

- Sacramento County Landscape Maintenance Fund 141 – Accounts for landscape maintenance services associated with the Sacramento County Landscape Maintenance Community Facilities District including the installation, maintenance, repair and replacement of landscape facilities within the boundaries of the District.
- Metro Air Park Service Tax Fund 142 – Accounts for Service Tax revenues needed for authorized maintenance services within the Metro Air Park Community Facilities District.
- North Vineyard Station Specific Plan (NVSSP) Fund 143 – Accounts for portions of major public infrastructure necessary for the NVSSP area to urbanize including construction of roadways, frontage lanes, public transit, library, and park facilities.
- North Vineyard Station Specific Plan CFD Fund 144 – Accounts for portions of major public infrastructure necessary for the North Vineyard Station area to urbanize including construction of roadway and transportation improvements, signalized intersections, landscaping improvements, sanitary water, storm drainage, and potable water systems.
- Natomas Fire District Fund 229 – Accounts for fire protection services to approximately forty square miles of the unincorporated area in the northwestern portion of the County.
- County Service Area (CSA) Number One Fund 253 – Formed to provide all street and highway safety lighting services in the unincorporated area of the County.
- CSA Number 10 Fund 257 – Accounts for miscellaneous extended transportation services to achieve trip reduction targets in the North Vineyard Station Specific Plan and other urban development areas in the County.
- Regional Sanitation District Fund 261 – Accounts for the operations of the Regional Sanitation Utility System. Only the salary and benefit appropriations are reflected in the County budget document.
- Sacramento Area Sewer Operations Fund 267 – Accounts for the operations of the Sacramento Area Sewer District. Only the salary and benefit appropriations are reflected in the County budget document.
- Fixed Asset Revolving Fund 277 – Accounts for transfer of funds to the 1990 Fixed Asset Debt Service Fund 278 for payment of debt service and other costs of the program.
- 1990 Fixed Asset Debt Service Fund 278 – Services all debt associated with the acquisition of fixed assets for the Public Facilities Financing Corporation.
- Juvenile Courthouse Debt Service Fund 280 – Services the 2003 Juvenile Courthouse Certificates of Participation.
- 2004 Pension Obligation Bonds Fund 282 – Reflects the annual debt service and related financial services costs for the County's Taxable Pension Funding Bonds Series 2004.
- Tobacco Litigation Settlement Capital Projects Fund 284 – Accounts for construction projects from the Tobacco Securitization proceeds including the Juvenile Hall expansion project and the Primary Care Clinic Facility.
- Capital Projects Debt Service Fund 287 – Refunding of the Parking Facility and Cherry Island Gold Course Certificates of Participation (COPS).

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS(cont.) :

- 1977 Refunding Public Facilities Debt Service Fund 288 – Reflects the debt service requirement for payment of principal, interest, and various other costs related to the 1997 Public Facilities Project Certificates of Participation for the construction of the Coroner/Crime lab and Data Center (the 1994 Certificates).
- Jail Debt Service Fund 292 – Services the Main Jail Certificates of Participation.
- 2003 Public Facilities Debt Service Fund 298 – Services the 2003 Public Facilities Projects Certificates of Participation (expansion of the Warren E. Thornton Youth Center, expansion of the Boys Ranch and improvement to various county facilities to accommodate Americans with Disabilities Act).
- 2010 Refunding COPS Debt Service Fund 300 – Accounts for the annual lease payments of the 2010 Refunding Certificates of Participation.
- 2007 Public Facilities Projects Construction Fund 303 – Accounts for the uses of proceeds of the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities-120 Bed Expansion projects.
- 2007 Public Facilities Projects Debt Service Fund 304 – Accounts for the debt service requirement for payment of principal, interest and various other costs related to the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities, 120-Bed Expansion projects.
- 2006 Public Facilities Construction Fund 305 – Accounts for construction projects from the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 2006 Public Facilities Debt Service Fund 306 – Services the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 1997 Public Facilities Debt Service Fund 308 – Services all debt associated with the 1997 borrowing which financed an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.
- 1997 Public Facilities Construction Fund 309 – Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, acquisition of the Bank of America building in downtown Sacramento and various other approved construction projects.
- Pension Obligation Bond Interest Rate Stabilization Fund 311 – Provides for interest earnings on the Pension Obligation Bond Debt Service in Fund 313.
- Pension Obligation Bond Debt Service Fund 313 – Services the debt related to Pension Bonds issued to pay off the unfunded pension liability the county owed to the Sacramento County Employee Retirement System.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.) :

- Beach Stone Lake Flood Mitigation Fund 314 – Accounts for a portion of the cost of a flood control project to reduce flooding in the area and to provide flood insurance for local residents impact by the project.
- Water Agency Zone 11 Fund 315 – Accounts for the design and construction of drainage facilities in the zone’s geographical area.
- North Vineyard Station Right of Way Fund 316 – Accounts for the right-of-way and easement acquisitions necessary for the construction of roadways, utilities, landscaping, drainage channels detention basins, and water supply and sewer infrastructure within the North Vineyard Station Specific Plan area.
- North Vineyard Well Protection Fund 317 – Accounts for the rehabilitation or replacement of private wells as a result of groundwater production from the North Vineyard Well Field.
- Water Agency Zone 13 Fund 318 – Accounts for regional water supply, drainage and flood control studies.
- Water Agency Zone 12 Fund 319 – Accounts for the collection of ad valorem tax revenues that are transfer to the Stormwater Utility District.
- Water Resources Fund 322 – Accounts for the operations of the Storm Utility Program.
- Department of Flood Management Fund 325 – Accounts for the employees serving the Sacramento Area Flood Control Agency (SAFCA).
- Landscape Maintenance District Fund 330 – Accounts for the maintenance of approximately two million square feet of landscaped corridors, medians and natural open spaces throughout the County.
- Mission Oaks Recreation and Park District Fund 336 – Accounts for the operations of the Mission Oaks Recreation and Park District, a Board of Supervisors-governed park district.
- Carmichael Recreation and Park District Fund 337 – Accounts for the operations of the Carmichael Recreation and Park District, a Board of Supervisors-governed park district.
- Sunrise Recreation and Park District/Antelope Assessment Fund 338 – Accounts for the operations of the Sunrise Recreation and Park District, a Board of Supervisors-governed park district.
- Del Norte Oaks Park District Fund 351 – Accounts for the grounds maintenance of 8,200 square feet of landscaped area in the Del Norte Oaks subdivision.
- CSA Number 4B (Wilton-Cosumnes) Fund 560 – Accounts for recreation and park services to the Wilton Community and surrounding areas in the south county.
- CSA Number 4C (Delta) Fund 561 – Accounts for recreation and park services to the Delta area in the south county.
- CSA Number 4D (Herald) Fund 562 – Accounts for park maintenance aide and supplies for operations of Herald Park.
- County Parks CFD 2006-1 Fund 563 – Accounts for local and regional park maintenance and operation services for park, parkway, trails, park and recreational programs and open space facilities within the boundary of County Service Area 4B.

GOVERNMENTAL FUNDS:

Governmental Funds record expenditures for compensated absences as they are taken by employees. Each year's budget includes a provision for the estimated expenditure for the current year. A year-end accrual for compensated absences has not been made in the Governmental Funds as of June 30, 2000, because the County does not believe any of the available year-end resources will be required to fund the year-end compensated absences liability. Accordingly, this liability is recorded in the General Long-Term Obligations Account Group.

PROPRIETARY FUNDS:

Proprietary Funds accrue a liability for unused compensated absences earned through year-end. An expense is recognized for the increase in liability from the prior year.

TRUST AND AGENCY FUNDS:

• **TRUST FUNDS**

- **Investment Trust Fund** – Accounts for assets held for external investment pool participants.
- **Expendable Trusts:**
 - Inmates' Welfare – Accounts for profits from the jails' commissaries, which are used solely for the benefit of the inmates.
 - Jail Industry – Accounts for operations of the County's "inmate industry" program.
 - Law Library – Accounts for an apportionment of civil case filing fees received solely for maintenance of the County's Law Library.
 - Local Improvement Pre-Assessment District – Accounts for funds collected from developers/property owners' for preliminary work prior to issuing special assessment debt to finance infrastructure projects.

• **AGENCY FUNDS**

- Law Enforcement – Accounts for law enforcement revenues collected pending disbursement, reimbursement, or apportionment to the appropriate County law enforcement department of other local police agency.
- Federal Program Transfer – Accounts for receipts from governmental programs administered by the County. Funds are held by the County in the Agency Fund until earned by the appropriate department, at which time they are transferred.
- Unapportioned Tax Collection – Accounts for property taxes received but not yet apportioned by the County.
- Public Safety – Accounts for receipts from the one half percent sales tax approved by voters for law enforcement functions. These receipts are held pending apportionment to the appropriate county law enforcement department or local police agency.
- Pooled Treasury Income – Accounts for interest earned and received by the County Treasury and allocated to appropriate funds.
- Other – Accounts for other agency funds where the County holds money in a custodial capacity.

DESCRIPTION OF MAJOR COUNTY REVENUE SOURCES AND TRENDS

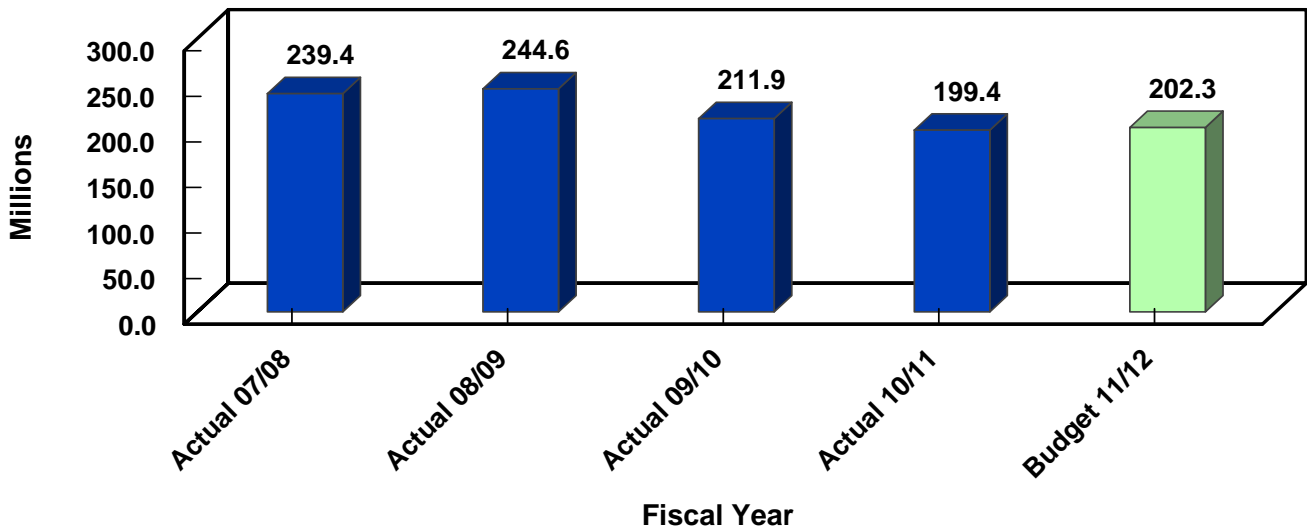
Revenue Source: Property Tax Revenues

Trend		Percent Change	Comments
2007-08 Actual	\$ 239,366,738		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2008-09 Actual	\$ 244,620,566	2.19%	
2009-10 Actual	\$ 211,948,324	(13.36%)	
2010-11 Actual	\$ 199,384,751	(5.93%)	
2011-12 Budget	\$ 202,288,472	1.46%	

PROPERTY TAX REVENUES:

The revenue estimate includes various property tax-related accounts including secured, unsecured, supplemental, delinquent, and unitary. The estimate is based on the Assessor's property tax roll. The Fiscal Year 2011-12 projected total for property tax revenues is \$202.3 million.

Property Tax Revenues



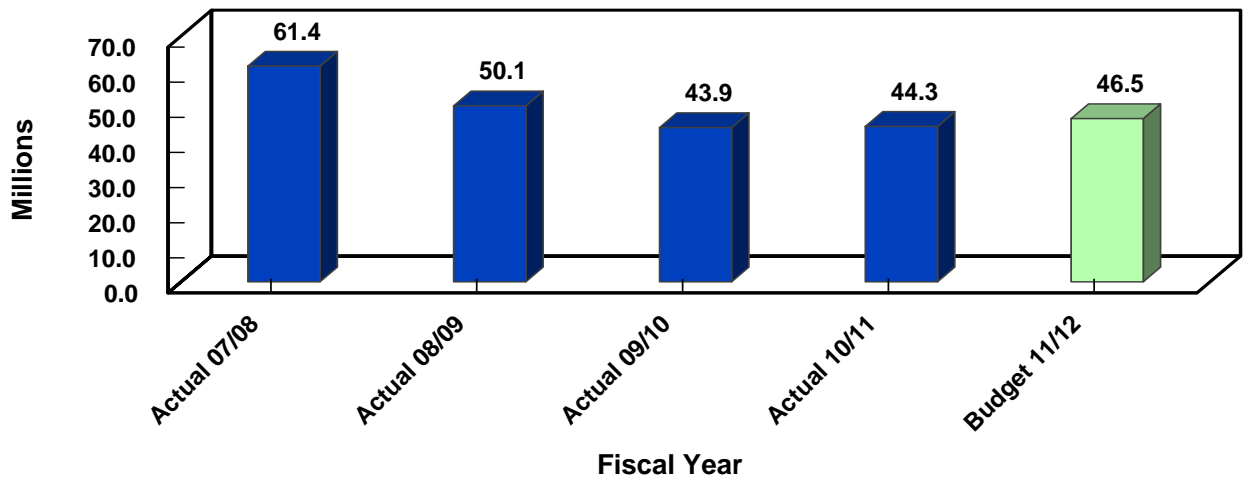
Revenue Source: Sales Tax

Trend		Percent Change	Comments
2007-08 Actual	\$ 61,409,295		A 0.75 percent share of statewide collected sales tax rate of 7.75 percent, collected from the Unincorporated Area only. Effective Fiscal Year 2004-05, due to the State's "Triple Flip," sales tax was reduced by ¼ from 1.0 percent to 0.75 percent. The State backfills the lost revenue with Educational Revenue Augmentation Fund (ERAF) revenues (see In Lieu Local Sales And Use Tax).
2008-09 Actual	\$ 50,104,502	(18.41%)	
2009-10 Actual	\$ 43,931,284	(12.32%)	
2010-11 Actual	\$ 44,273,457	0.78%	
2011-12 Budget	\$ 46,468,954	4.96%	

SALES TAX:

The revenue estimate is impacted by the State's "Triple Flip" provision which reduces Sales Taxes by 25.0 percent. The budget estimate is based on an assumed 4.96 percent growth from the year end actuals of \$44.3 million. The total projected for Fiscal Year 2011-12 is \$46.5 million.

Sales Tax

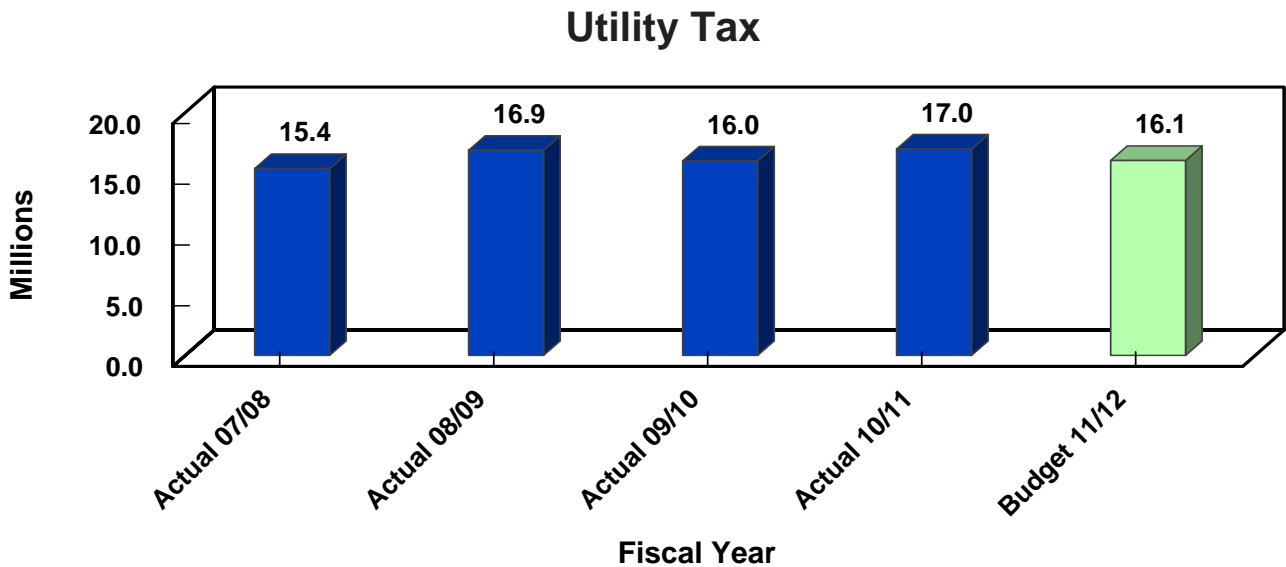


Revenue Source: Utility Tax

Trend		Percent Change	Comments
2007-08 Actual	\$ 15,395,949		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2008-09 Actual	\$ 16,891,373	9.71%	
2009-10 Actual	\$ 16,017,827	(5.17%)	
2010-11 Actual	\$ 16,996,428	6.11%	
2011-12 Budget	\$ 16,050,000	(5.57%)	

REVENUE SOURCE - UTILITY TAX:

The revenue estimate is based on a 5.57 percent decrease in utility collections in the Unincorporated Area. The decrease is due to the continual trend of customers shifting from home-based telephone usage to non-taxable cellular telephone usage. The total budgeted for Fiscal Year 2011-12 is \$16.1 million.



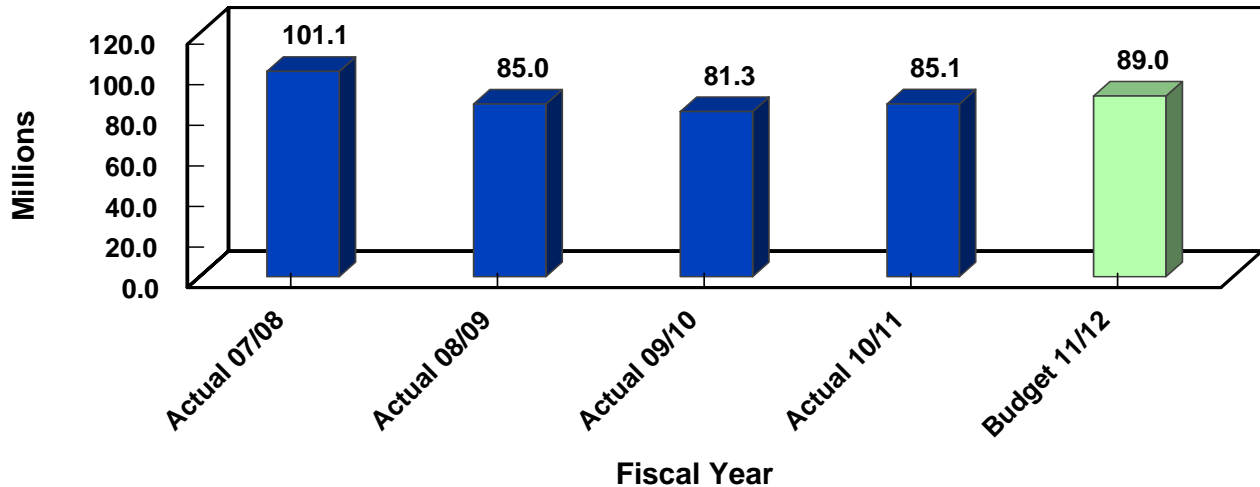
Revenue Source: Proposition 172 – Public Safety

Trend		Percent Change	Comments
2007-08 Actual	\$ 101,144,996		County share of statewide ½ cent sales tax. Allocated to counties and cities by formula in state law. Changes in revenue depend on statewide sales tax collections and countywide sales tax collections as a share of the statewide total collections.
2008-09 Actual	\$ 85,044,279	(15.92%)	
2009-10 Actual	\$ 81,331,636	(4.37%)	
2010-11 Actual	\$ 85,087,235	4.62%	
2011-12 Budget	\$ 89,000,000	4.60%	

PUBLIC SAFETY REVENUE:

The budget estimate is based on 4.60 percent assumed growth in statewide sales tax collections based on the actuals for the second half of Fiscal Year 2010-11.

Public Safety



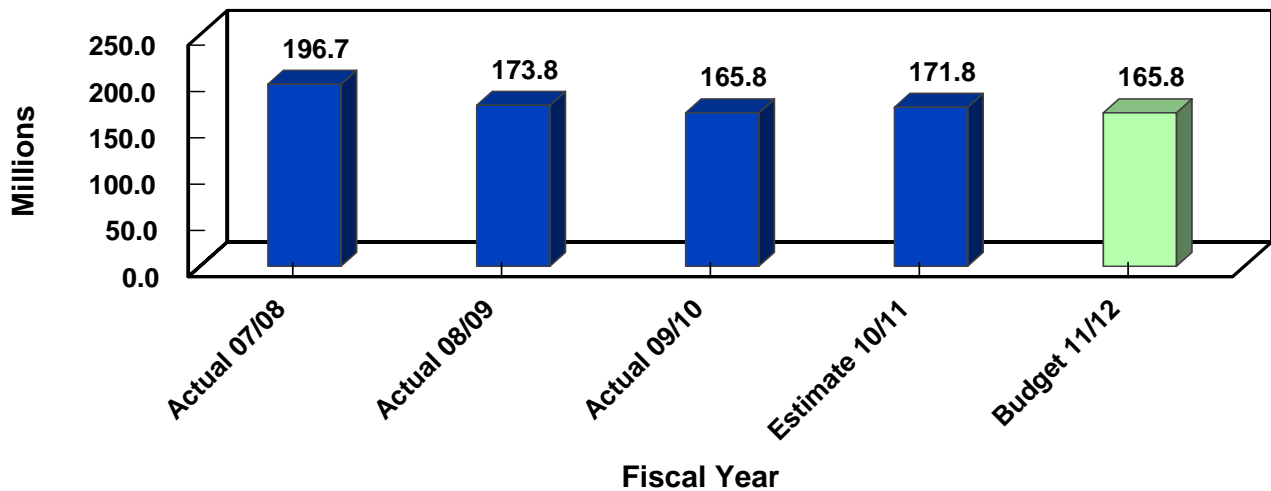
Revenue Source: Realignment

Trend			Percent Change	Comments
2007-08 Actual	\$	196,676,942		Changes in revenue reflect county's share of ½ cent statewide sales tax and 24.33 percent of vehicle license fees which are allocated to health, mental health, and social service programs.
2008-09 Actual	\$	173,825,350	(11.62%)	
2009-10 Actual	\$	165,816,857	(4.61%)	
2010-11 Estimate	\$	171,755,712	3.58%	
2011-12 Budget	\$	165,816,857	(3.46%)	

REALIGNMENT REVENUE:

The assumptions for Realignment include no growth in statewide sales tax collections and vehicle license fees collections, and no changes in allocation patterns among the major Realignment Accounts.

Realignment



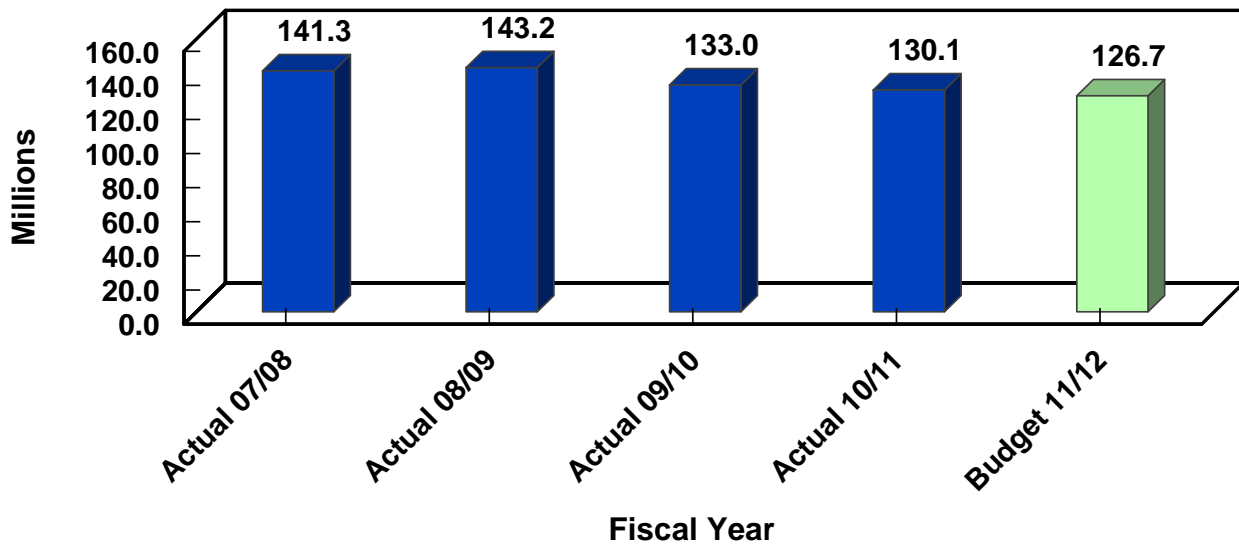
Revenue Source: Property Tax In-Lieu of Vehicle License Fee

Trend		Percent Change	Comments
2007-08 Actual	\$ 141,314,516		This revenue source emerged as the result of the State's "Swap" deal. This amount reflects backfill of the Vehicle License Fee that now flows to the State General Fund.
2008-09 Actual	\$ 143,187,726	1.33%	
2009-10 Actual	\$ 133,046,661	(7.08%)	
2010-11 Actual	\$ 130,088,166	(2.22%)	
2011-12 Budget	\$ 126,669,050	(2.63%)	

PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES:

The assumption for this revenue source is based on the State's "Swap" deal. The Fiscal Year 2011-12 projected total of \$126.7 million reflects a 2.63 percent decrease from the prior year actual levels.

Property Tax In-Lieu of Vehicle License Fee



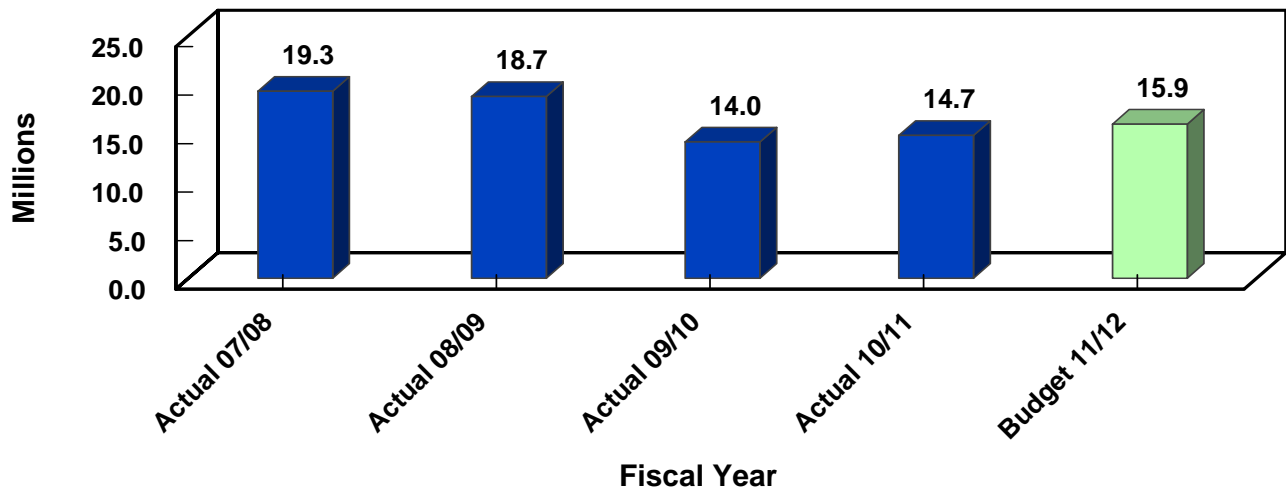
Revenue Source: In Lieu Local Sales and Use Tax

Trend		Percent Change	Comments
2007-08 Actual	\$ 19,280,177		This revenue source emerged as the result of the State's "Triple Flip" provision. This amount represents the backfill of the 25.0 percent Sales and Use Taxes revenue that are reallocated to the State Fiscal Recovery Fund.
2008-09 Actual	\$ 18,735,315	(2.83%)	
2009-10 Actual	\$ 14,047,475	(25.02%)	
2010-11 Actual	\$ 14,721,704	4.80%	
2011-12 Budget	\$ 15,887,066	7.92%	

IN LIEU LOCAL SALES AND USE TAX:

The assumption for this revenue source is based on the State's "Triple Flip" provision which reduces the County's Sales and Use Taxes by 25.0 percent. The State backfills this 25.0 percent reduction with Educational Revenue Augmentation Fund (ERAF) revenues. For Fiscal Year 2011-12, a total of \$15.9 million is budgeted for In Lieu Local Sales and Use Tax revenues, an increase of 7.92 percent from the prior-year actuals.

In Lieu Local Sales and Use Tax



GENERAL BUDGET POLICIES AND PLANNING

General Budget Information

This summary includes:

- I. The Budget, Legal Requirements, Budgeting Basis, and Budget Policies
- II. Revenue and Cash Management
- III. Debt Management Policies
- IV. Range Budget Planning

I. THE BUDGET

The annual budget for Sacramento County is an operational plan, a fiscal plan, and a staffing plan for the provision of services to the residents of Sacramento County. The budget also includes a five-year Capital Improvement Plan for the County. This plan is presented to the Board of Supervisors and is reviewed during the budget hearings. The County Board of Supervisors approves the budget each year at the conclusion of an open and deliberative process in which county residents, county employees, and county officials are active participants.

LEGAL REQUIREMENTS

The county's budget process conforms to state law and the County Charter. The California State County Budget Act of 1986 provides statewide uniformity in the budget process, content, and format among California counties and special districts. Deadlines for the public release of budget information and the adoption of proposed and final budgets are given. The Budget Act also sets the content and format of budget schedules.

The County Charter specifies the roles of the Board of Supervisor and the County Executive in the budget process. The County Executive is charged with recommending a balanced budget (a budget in which the expenditures incurred during a given period are matched by revenues and/or current expenditures are equal to receipts) to the Board and with executing the budget plan once it is adopted. The County Executive is also responsible for monitoring the status of the budget throughout the year and with recommending budget changes when circumstances warrant.

BUDGETING BASIS

For the governmental funds, or those funds subject to appropriation, Sacramento County uses a modified accrual basis of budgeting and accounting. Under this basis of budgeting and accounting, revenues are recognized when they become both measurable and available, and expenditures are recorded when the liability is incurred. Measurable means the amount of the transaction is known. Available means the revenue will be received as cash within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current period.

Proprietary funds use an accrual basis of accounting in essentially the same manner as commercial accounting. Recognition occurs at the time of the transaction – revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place.

BUDGET POLICIES

Sacramento County’s budget process operates under long standing Board of Supervisors-approved budget policies. In summary, the policies are designed to control growth in the budget, maximize fund balance, give departments operational flexibility, and establish prudent reserve levels.

Alignment of Ongoing Expenditures and Revenues and Use of Fund Balance

In 1985 the Board adopted long-term policies intended to keep ongoing county expenditures in alignment with ongoing financing sources and to increase fund balance. These policies state:

- General Fund, fund balance will be used as an ongoing financing source.
- The higher costs of new programs, higher service levels, and new staff will be recognized on a full-year basis to ensure the recognition of the full cost of new commitments.
- Unanticipated revenue windfalls not included in the budget plan will not be expended during the year unless such spending is required in order to receive the funding.
- Short-term funding sources are not to be applied to ongoing requirements.

Use of Fund Balance and Appropriation Use Flexibility

In 1992 the Board of Supervisors adopted a set of policies under the rubric of “departmental empowerment” to give departments more flexibility in managing service delivery and departmental budgets. The budgetary aspects of the departmental empowerment policies include:

- The year-end practice was changed from "use it or lose it" to “save it and keep it.” Departmental contributions to fund balance are credited back to departments as financing in the following year.
- Departments were given the flexibility of administratively shifting appropriations between expenditure categories without Board or County Executive approval so long as there is no change in overall net appropriations. The Department of Finance presents a quarterly report of such budget adjustments to the Board of Supervisors.
- A restriction was placed on departmental empowerment in Fiscal Year 2002-03, disallowing transfer of salary appropriations to other expenditures without Board approval. This restriction was necessary due to the need to maintain high fund balances in order to mitigate against the state budget reductions and weak economic conditions.

Reserve Levels

The Board, upon recommendation from the County Executive and Chief Operations Officer, adopted a Reserve and Reinvestment Policy in 2010. This policy sets a target for the General Fund General Reserve at ten percent of discretionary revenues. Fiscal Year 2010-11 reserves do not meet that target due to current economic conditions. The policy does set guidelines for the Board to follow to reestablish reserves and eventually reach the targeted level.

Resource Allocation

In June 2007, upon recommendation of the County Executive, the Board of Supervisors adopted a series of obligations/priorities to guide resource allocation and budget decision making. These priorities are slightly different from prior years in that the mandated programs are split into those where the service/budget is specifically mandated and those where the Board of Supervisors has some flexibility regarding the level of mandated service provided. The approved spending priorities recognize that certain obligations must be funded before any discretionary priorities can be addressed:

Resource Allocation (Cont.)

- **Mandated Countywide Obligations**, such as jails, prosecution, juvenile detention, health care for the poor, and welfare payments to eligible clients. These obligations are now designated as specifically mandated programs.
- **Mandated Municipal Obligations** such as the core requirements for providing for the public safety of the citizens living in the unincorporated area (Sheriff's patrol and investigations).
- **Financial Obligations** is the maintenance of the public trust through a sound fiscal policy that focuses on financial discipline, including funding programs that provide for revenue collection and payment of county debts.
- **Budget Priorities**, when funding of the County's mandated services and obligations are met, the following priorities shall govern the budget process:
 - Provide the highest level of discretionary law-enforcement municipal and countywide services possible within the available county budget, such as Sheriff's patrol and investigations, and Probation supervision.
 - Provide the safety net for those disadvantaged citizens, such as the homeless, mentally ill, and others who receive no services from other government agencies.
 - Provide the highest possible quality of life for our constituents within available remaining resources (i.e. neighborhood programs, reinvestment in communities, Parks and Recreation, and non-law enforcement municipal services, etc.)
 - General government functions (such as Clerk of the Board, County Counsel, Human Resources Agency, Office of Communications and Information Technology, County Executive, etc.) shall continue at a level sufficient to support the direct services to citizens.
 - Continue prevention/intervention programs that can demonstrate that they save the county money over the long-term, such as alcohol and drug programs.

II. Revenue and Cash Management – Cash, Investments, And Restricted Assets

All investments are reported on the statement of net assets/balance sheet in accordance with GASB State No. 31, at fair value. The County maintains two cash and investment pools. The primary cash and investment pool (Treasurer's Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net assets/balance sheets as "Cash and investments." The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain agency funds accrues to the benefit of the General Fund. The County, acting in a fiduciary capacity, established a separate cash and investment pool (Fiscal Agent Pool) to segregate and invest monies in accordance with long-term obligation covenants. The County periodically distributes interest earned by these pools to the funds. The pools are accounted for on an amortized cost basis during the year. The Treasurer's and Fiscal Agent Pools are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of pool shares. The County does not permit any voluntary participation in the Treasurer's Pool.

Cash and investments held by fiscal agents are restricted as to its use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2008, all cash held by fiscal agents was covered by federal depository insurance or by collateral held by the County's financial institutions in the county's name.

Revenue and Cash Management – Investments and GASB 40 Presentation

The County has chosen to implement GASB Statement 40, Deposit and Risk Disclosures, which is an amendment to GASB Statement No 3.

Investments by the County Treasurer are restricted per Government Code Section 53600 et. Seq. This Code requires that the investments be made with the prudent investor standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing.

The Government Code also requires that when following the investing actions cited above, the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, thirdly maintain the public trust and then achieve a return on the funds under the trustee's control. Further, the intent of the Government Code is to minimize risk of loss on County held investments from:

- Credit risk
- Custodial credit risk
- Concentration of credit risk
- Interest rate risk

Specific restrictions of investment are noted below:

Section 53601 lists the investments in which the Treasurer may purchase. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, treasury notes, or bonds of the State of California; bonds, notes warrants or other forms of indebtedness of any local agency within California; obligations issued by banks for cooperatives, federal land banks, federal home loan banks, the Federal Home Loan Bank Board or other instruments of, or issued by, a federal agency or United States government sponsored enterprise; Bankers Acceptances (not over 180 days maturity, not to exceed 40 percent of the total portfolio); Commercial Paper of "prime quality" (the highest ranking provided by either Moody's Investor Services or Standards and Poor Corporation) (not over 270 days maturity and not to exceed 40 per cent of the total portfolio pursuant to Section 53635) and these investments are further restricted as to capacity and credit rating of the Company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks, not to exceed 30 percent of the total portfolio; repurchase and reverse repurchase agreements are permitted investments but are subject to stringent rules regarding term, value and timing, all put in place to minimize risk of loss; medium term notes, carry a maturity of no more than five years and rated "A" or better by a nationally recognized rating service, not to exceed 30 percent of the portfolio; shares of beneficial interest issued by a diversified management company subject to certain limitation; notes, bonds and other obligations that are at all times secured by a valid first priority security interest in securities of rules cited in Government Code Section 53651; moneys held by a trustee or fiscal agent for bonds, indebtedness, lease obligations, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of the bonds, indebtedness, lease obligations or other agreements; mortgage pass-through

securities and other mortgage and consumer receivable backed bonds, not to exceed a maturity of five years, subject to the credit rating of the issuer and not to exceed 20 percent of the portfolio; and shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7.

In addition to the restrictions and guidelines cited in the Government Code, the County Board of Supervisors annually adopts an "Investment Policy for the Pooled Investment Fund" (The Policy). The Policy is prepared by Department of Finance and is based on criteria cited in the Government Code. The Policy adds further specificity to investments permitted, reducing concentration within most permitted investment types and reducing concentration of investments with any broker, dealer or issuer.

The County was in full compliance with its own more restrictive policy, and, therefore, was also in compliance with the above cited Government Code sections. Accordingly, the County believes it is not at measurable risk as to the four risk areas cited above.

Interest Rate Risk – This is the risk of loss due to the fair value of an investment falling due to interest rates rising. Of the County's \$3.320 billion portfolio over 72.3 percent of the investments have a maturity of six months or less. In addition, 93.3 percent of the portfolio matures within two years.

Credit Risk – The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers' rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by the rating agencies. In addition, the County is permitted to invest in the State's Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are non-rated.

Custodial Credit Risk – At year-end, the County did not participate in any repurchase agreements or securities lending that would result in any possible risk in this area.

Concentration of Credit Risk – Nearly 71.3 percent of the County's investments at year-end are in U.S. Government or Agencies issues. There is no limitation on amounts invested in these types of issues. Of the 20.1 percent of the portfolio invested in commercial paper or certificate of deposits, no investment in a single issuer exceeds five percent.

Prohibited Investments - No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool or mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are Altria Group, British American Tobacco PLC, Imperial Tobacco Group PLC, Loews Corp., Reynolds American, Inc., Universal Corp., UST, Inc., and Vector Group, Ltd. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

III. Debt Management Policies

The County has also adopted comprehensive Debt Management Policies, which are intended to improve coordination and management of all debt issued in which the County has complete or limited obligation (e.g. special assessment or Mello-Roos financings) for debt repayment. As the municipal debt market changes, all outstanding debt should be monitored to take advantage of changing opportunities.

Major elements of the policy include:

- Establishment of a County Debt Utilization Committee (CDUC) which has the responsibility for reviewing, coordinating and advising the County Executive and Board of Supervisors regarding proposed and existing debt issues in order to assure that debt is utilized in a favorable manner to the County and only when it is in the best interest of the County.
- Formalizing the concept that debt proposals by individual departments must be closely coordinated with the county's capital and operating budget processes and must take into account the impact of the proposed debt issue on the county's credit rating and total debt burden.
- Assignment of responsibilities related to analysis of proposed borrowings and monitoring compliance with covenants and restrictions in approved debt agreements.
- To the extent feasible, debt issued shall be tied to revenues from those taxpayers who will directly or indirectly receive benefits of the purpose of the debt.
- Short-term and long-term borrowing will be limited to borrowings that are within prudent limits regarding applicable debt ratios and those which improve county cash flow and related interest earning capabilities.
- Proceeds from long-term financing will be limited to the uses authorized by law and allowed by the provisions of the particular debt. Generally, these limitations allow payment for planning, design, land, construction, or acquisition of buildings, permanent structures, attached fixtures and/or equipment, movable furniture, and equipment and also the costs related to planning and issuing the debt.
- Short-term financing will include funding the county's cash flow deficit in anticipation of tax and revenue receipts.
- Structure (e.g. General Obligation, Certificates of Participation, Assessment Districts, or Revenue Bonds) and type of debt issuance (negotiated or competitive) is dependent upon various factors, including the nature of the project to be financed, available revenue sources and revenue streams, budget impact and the financial market environment.
- No financing will be undertaken to finance an operating deficit.

Debt Limits

In California there are no statutory or constitutional limits on debt levels for counties. Overall, debt levels for Sacramento County are very low. In the General Fund, total debt service payments amount to 4.75 percent of appropriations.

IV. Long-Range Budget Planning

Sacramento County integrates long-term budget planning with an annual budget process. The annual budget forecast, typically presented to the Board of Supervisors in early February each year, is based on a current budget modeling of the General Fund. The model is the specific tool used to evaluate the impacts of new facilities, programs, and other commitments on the General Fund in light of projected changes in general revenues.

The model is based on the prior adopted budget and includes all known changes in expenditures and revenues. The model attempts to predict the net cost of maintaining service levels and taking on new programs and costs and compares those net costs to the general purpose financing thought to be available to fund those net costs. Particular emphasis is placed on determining and accounting for the impacts of facility development, labor negotiations, and changes in state and federal law and regulations. The capital improvement plan is used to identify new operational requirements years in

advance of the need to actually fund the staffing and maintenance of new facilities. Long-term commitments to employees are made in light of an assessment of the county's ability to balance labor cost increases with the maintenance or enhancement of service levels.

The modeling has proved to be a useful predictor of budgetary trends and the overall balance between net cost and general purpose financing. The model is less accurate in projecting changes in gross spending and departmental revenue. The fundamental point is that the budget model is used far beyond short-term predictions of budget status and issues; the budget model is used to evaluate the county's capacity (or lack thereof) to take on new obligations.

BUDGET PROCESS AND TIMELINE

BUDGET PROCESS:

The annual budget is prepared, reviewed and approved in accordance with the County Budget Act (California Government Code Sections 29000 through 30200). The Budget and the Comprehensive Annual Financial Report (CAFR) are prepared using generally accepted accounting principles. Governmental fund types like the General Fund, Special Revenue Funds, and Debt Service use the modified accrual basis, Proprietary Funds use the full accrual basis.

The annual operating budget includes all operating, capital, and debt service requirements of Sacramento County for the following fiscal year. The fiscal year is from July 1 to June 30. In addition, the budget includes: the revenue and expense assumptions upon which the budget is based; the number of budgeted positions by department and cost center; the mission, strategic priorities, impact and performance measures of each operating department; prior-year actual and current year budgeted and estimated actual expenditures and revenue by department and cost center; and a description of significant expenditure changes by department and division, along with significant revenue changes at the department level.

The capital budget reflects the annual amount appropriated for each capital project included in the long-range capital improvement plan. When the Board of Supervisors (Board) authorizes a new capital project, the Board approves the total project cost and schedule. The approval of the project budget authorizes total expenditures over the duration of the construction project, which oftentimes spans multi-fiscal years. The annual capital budget authorizes the anticipated expenditures for the scope of work anticipated to be completed in the upcoming fiscal year.

The annual budget process includes seven phases:

Phase I – (July-November) – Establish Budget Priorities and Principles

The Board, working with the County Executive, establishes the operating and capital budget priorities and the budget principles for the next fiscal year based upon relevant economic, social, and demographic trends, a budget update with a three-year forecast and an in depth discussion of proposed budget principles.

Phase II – (December – April) Develop Operating Budget

The County Executive's Office develops and distributes the annual operating budget instructions based upon: Board priorities and budget principles established in November and February; the impact of annual capital budget requests on the operating budget; revenue and expense projections for the following fiscal year; and state and county long-range economic indicators.

Department budgets are developed by the department heads and staff. They are subsequently reviewed and modified, as necessary, through a collaborative effort among the County Executive's Office and the departments.

In developing the annual capital budget, departments must determine the impact these capital projects will have on the following fiscal year's operating budget. Consequently, this phase must be submitted in advance of the departmental annual operating budget.

Phase III – (March-April)

The Board holds public workshop hearings, if appropriate.

Phase IV – (May-June)

After a series of public meetings, the Recommended Budget must be approved by a three-fifths majority of the Board.

Phase V – (July 1st)

The Approved Recommended Budget is implemented as the operating budget until Budget is adopted.

Phase VI – (August-September)

The County Executive’s Office prepares revised budget recommendations report and submits it to the Board for the Budget Hearings in early September. The Budget is adopted by a three-fifths majority of the Board.

The Director of Finance prepares Adopted Budget Resolutions and submits them to the Board for approval prior to the October deadline.

Phase VII – (September-October)

As directed by the Board, budget hearing adjustments are documented by County Executive’s Office Analysts. The various departmental budgets are submitted to the staff of the Office of Budget and Debt Management for compilation and production of the final budget book.

The legally mandated time requirements for budget approval per the County Budget Act are as follows:

Revenue and Expenditure Estimates	June 10th
Approve Recommended Budget	June 30th
Post Recommended Budget	September 8th
Announce Public Hearings	September 8th
Commence Public Hearing	September 18th
Conclude Budget Hearings	October 2nd
Adopted Budget Approval	October 2nd
Adopted Budget Filed with the State	December 1st

AMENDING THE ADOPTED BUDGET BY APPROPRIATION ADJUSTMENT REQUESTS:

Guidelines and Legal Authorities

All adjustments to budgeted appropriations must be documented on an Appropriation Adjustment Request (AAR) form. Each AAR is accompanied by a cover letter addressed to either the Board or County Executive (depending on approval authority required) explaining the reason for adjustment.

- County Executive approval – The County Executive has the authority to approve the following adjustments (per Government Code Section 29125, and County Resolution No. 85-1368):
 - Transfers between accounts in different objects within an appropriation.
 - Transfers within or between Internal Services Funds.
 - Increases in spending authority of Internal Services Funds when new or increased financing is identified.

Internal Services Funds are not included in the “Annual Budget Resolution”.

- By four-fifths vote, the Board may (per Government Code Sections 29086, 29127, and 29130 and County Charter, Section 49):
 - Make available for appropriation balances in contingencies.
 - Make available for appropriation reserves no longer required for the purpose for which intended.
 - Make available for appropriation amounts from any actual or anticipated increases in available financing (new revenue or increases in revenue not set forth in the budget).
 - Make an emergency appropriation after adopting a resolution stating the facts constituting the emergency.

Note: General Reserves are established, cancelled, increased or decreased at time of adopting the budget except in a legally declared emergency.

SPECIFIC AREAS OF CHANGE

TRANSFER OF APPROPRIATION ADJUSTMENT AUTHORITY

On October 27, 1992, the County implemented the departmental empowerment concept and altered the AAR process.

In Resolution No. 85-1368, the Board delegated authority to the County Executive to approve midyear transfers and revisions of appropriations between objects within a budget unit as well as adjustments to Internal Service Funds. For example, appropriations could be moved from Salaries to Services and Supplies. Existing law (Government Code 29125) allows the Board to designate a county official to authorize these appropriation adjustments as long as they do not alter the total budget unit spending authority.

Along with an emphasis on department empowerment (accountability for program results and financial responsibility), it is important that the departments be granted as much flexibility in their budgets as possible. With this proposed change, the departments' net county cost and underlying appropriation remains the same but the Department Head is able to adjust between expenditure objects as circumstances require during the year. With this emphasis on "bottom-line" control of net cost (appropriations less revenue), it is important that both expenditures and revenues be closely monitored by the departments. Timely midyear corrective actions are expected if actual results vary negatively from the budget. Departments report to the County Executive periodically on budget and program status.

Departments must ensure that provisions are maintained for salary, contractual and inter-department commitments, and other allocated costs. Appropriation adjustment documents impacting two departments must bear authorized signatures from both. All other controls and edits will remain unchanged.

The Board retained authorizations of any increase to total appropriations to be funded from new departmental revenues, contingencies, or reserves. These changes must be processed through the County Executive's Office. Uses of General Fund contingencies or reserves are very rare, usually when there is no legal alternative.

The Auditor-Controller reports quarterly to the Board the adjustments processed under this policy.

FISCAL YEAR 2011-12 BUDGET TIMELINE:

Under the leadership of the county’s Chief Operations Officer, staff of the Office of Budget and Debt Management, within the County Executive’s Office, work year-round on the budget. Staff begin work on the next annual budget cycle before the previous cycle is completed. The annual budget process timeline is as follows:

Responsible Party	Event	Time
County Budget Officer	Begin work on the Budget Instruction packet	December
County Budget Officer Principal Analysts	Update three year projection and current year revenue projection	December
General Services	Allocated Cost due from General Services	December 30
County Executive Chief Operations Officer County Budget Officer Principal Analysts	Develop Major Budget Assumptions/ Personnel Costs/Allocated Costs.	December 17
County Budget Officer	Distribute Fiscal Status Report (FSR) Instructions	December 17
County Executive Chief Operations Officer County Budget Officer Principal Analysts Finance Department	Central Revenue Estimates completed	January, 14
Departments	1 st FSR due	January 14
Departments	Current year budget issues identified with proposed solutions	January 21
County Budget Officer	Information Sharing Meeting – distribute Budget Instructions, Personnel Budget Report, Allocated Cost Package, Position Summary	January 24
County Executive Chief Operations Officer County Budget Officer Agency Administrators Department Heads	Midyear Financial Forecast Presentation: Approval of current year budget adjustments and preliminary budget year General Fund Allocation	February 15
County Budget Officer	Distribute preliminary budget year General Fund Allocation	February 15
Departmental Fiscal Officers	Facility Acquisition or Improvement Request (Form 330) Submittal to General Services-Capital Construction	February 28
Department Heads Departmental Fiscal Officers	Preliminary Budgets due with numbers in SCBDA. Preliminary Reduction Impact Summaries due.	February 28
County Executive Chief Operations Officer County Budget Officer	Brief Board of Supervisors on Preliminary Reduction Impact Summary	March 7
County Budget Officer	Release Preliminary Reduction Impact Summary	March 10
County Executive Agency Administrators Department Heads Community Organizations Concerned Citizens	Review and comment on Preliminary Reduction Impacts	March and April
Departments	2 nd FSR due	April 13
County Executive Chief Operations Officer County Budget Officer Principal Analysts	Determine final Recommended General Fund Allocation.	April 18

FISCAL YEAR 2011-12 BUDGET TIMELINE (CONT.):

Department Heads Departmental Fiscal Officers	Requested Budget documents due from departments.	April 29
Principal Analysts Agency Administrators CEO Analysts	Complete budget review. Final numbers lock down.	May 9
County Executive Chief Operations Officer County Budget Officer	Recommended Budget Letter completed. Budget documents to print.	May 20
County Budget Officer Board of Supervisors	Release Recommended Budget. Post notifications for budget hearings.	May 26
County Budget Officer	Information Sharing Meeting – Budget hearing schedule and presentation	May 30
Board of Supervisors County Executive Chief Operations Officer County Budget Officer Agency Administrators Department Heads	Recommended Budget Hearings <ul style="list-style-type: none"> • Beilenson Hearing • Transient Occupancy Tax Presentation • Construction in Progress Presentation 	Beginning June 7
Departments	Implement Approved Recommended Budget	July 1
Departments	Final FSR due	July 29
County Executive Chief Operations Officer County Budget Officer Agency Administrators Department Heads	Adjustments made for year end results and State budget impacts	August 15
County Executive Chief Operations Officer County Budget Officer	Determine revised General Fund Allocation	August 15
County Budget Officer	Adopted Budget Hearing documents released	September 2
Board of Supervisors County Executive Chief Operations Officer County Budget Officer Agency Administrators Department Heads	Adopted Budget Hearings – Budget overview of changes to the Adopted Recommended Budget	September 13
Board of Supervisors Department of Finance	Adopt Budget Resolutions	September 27
County Budget Officer	Submit Adopted Budget to the State Controller	November 23

EXAMPLE OF A BUDGET MESSAGE

State Controller Schedules County Budget Act January 2010	County of Sacramento Detail of Financing Sources and Financing Uses Governmental Funds Fiscal Year xxxx-xx	Schedule 9		
1 Budget Unit 3610000 - Assessor Function GENERAL Activity Finance				
2	3	xxxx-xx Actual Estimated	4	5
Detail by Revenue Category and Expenditure Object	xxxx-xx Actuals	xxxx-xx Actual Estimated	xxxx-xx Recommended	xxxx-xx Adopted by the Board of Supervisors
1	2	3	4	5
Prior Year Carryover	\$ 1,867,208	\$ 1,200,646	\$ 140,008	\$ 140,008
Charges for Services	5,057,217	5,505,301	5,483,148	5,483,148
Miscellaneous Revenues	1,959,531	1,098,793	950,000	950,000
Residual Equity Transfer In	89,501	-	-	-
Total Revenue	\$ 8,973,457	\$ 7,804,740	\$ 6,573,156	\$ 6,573,156
Salaries & Benefits	\$ 15,044,025	\$ 14,191,027	\$ 15,817,328	\$ 15,817,328
Services & Supplies	2,220,887	1,945,896	2,394,385	2,394,385
Equipment	12,072	-	10,000	10,000
Expenditure Transfer & Reimbursement	(2,035,960)	(2,358,635)	(2,309,101)	(2,309,101)
Total Expenditures/Appropriations	\$ 15,241,024	\$ 13,778,288	\$ 15,912,612	\$ 15,912,612
Net Cost	\$ 6,267,567	\$ 5,973,548	\$ 9,339,456	\$ 9,339,456
6	Positions	168.5	161.5	159.1

See Explanation on following page.

AN EXPLANATION OF BUDGET MESSAGE ELEMENTS

The following explanations refer to the previous page. Definitions of unfamiliar terms may be found in the Glossary.

- **BUDGET UNIT:**
 - Budget unit number and name.
- **DETAIL BY REVENUE CATEGORY AND EXPENDITURE OBJECT:**
 - Major categories of revenues and expenditure objects as classified by law. These categories are defined by the State Controller.
- **ACTUAL:**
 - Amounts actually expended or received.
- **RECOMMENDED:**
 - Amounts recommended by the County Executive.
- **ADOPTED BY THE BOARD OF SUPERVISORS:**
 - Amounts adopted by the Board of Supervisors.
- **POSITIONS:**
 - Total number of permanent positions the department is authorized to fill and for which funding is available.

SACRAMENTO COUNTY

ECONOMIC AND DEMOGRAPHIC OVERVIEW

GENERAL

The County was incorporated in 1850 as one of the original 27 counties of the State of California. The County's largest city, the City of Sacramento, is the seat of government of the State and also serves as the County seat. The County is the major component of the Sacramento Metropolitan Statistical Area (SMSA) which includes Sacramento, El Dorado, Placer and Yolo Counties.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties to the south, Amador and El Dorado Counties to the east, Placer and Sutter Counties to the north, and Yolo and Solano Counties to the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to the San Francisco Bay.

The County is a long-established center of commerce for the surrounding area. Trade and services, federal, state and local governments are important economic sectors. Visitors are attracted to the County by the State Capitol and other historical attractions such as Sutter's Fort, as well as natural amenities. The County's location at the intersection of four major highways brings additional visitors destined for the San Francisco Bay Area, the Gold Country, the Central Valley and the Sierra Nevada Mountains.

Chief among the County's outdoor recreational opportunities is the 23-mile American River Parkway which welcomes more than 5 million visitors annually to this unique wildlife and recreation area, offering opportunities for fishing, boating and rafting, picnic sites, golfing, and guided natural and historic tours. The Jedediah Smith Memorial Trail, a 32-mile long trail for bicyclists, hikers and equestrians, parallels the American River and winds southwest from the City of Folsom to Downtown Sacramento. This trail was recognized as a national trail in 1974, and named the nation's No. 1 bike path for 2006.

The Sacramento area is home to the NBA Sacramento Kings professional basketball team. The franchise plays their home games at Power Balance Pavilion (formerly Arco Arena), a venue which also hosts numerous concerts and entertainment events throughout the year. However, the NBA has given Sacramento until March 2012 to develop a financing plan for a new arena, or face the possibility of the team being allowed to move to another city. The Sacramento RiverCats, the Oakland A's triple-A affiliate, play their home games at Raley Field in West Sacramento, located across the river from Downtown Sacramento. The Sacramento Sports Commission, a joint city-county advisory board, has been responsible for bringing a number of high profile sporting events to Sacramento, including the following: NCAA Men's and Women's Basketball Tournaments; NCAA Division I Track and Field Championships; U.S. Gymnastics Championships; U.S. Olympic Team Trials for Track and Field; NCAA Division I Women's Volleyball Championship; Pan Pacific Masters Games; AVP Volleyball Open; and, the Amgen Bicycle Tour of California. Other major events included for the first time the 2010 U.S. Masters Outdoor Track and Field Championship and the 2011 World Masters Athletics Track and Field Championship.

Cultural attractions in the City of Sacramento include the Crocker Art Museum, the longest continuously operating art museum in the West, founded in 1855, and it remains the leading art institution for the California Capital Region and Central Valley. The California State Railroad Museum located in Old Sacramento features 21 restored locomotives and cars, some dating back to 1862, illustrating railway's historic significance to the region in connecting California to the rest of the nation. Sacramento Community Center Theatre, the Music Circus at Wells Fargo Pavilion, Sacramento

Ballet, Sacramento Opera, Sacramento Philharmonic Orchestra and numerous other performing arts venues and local art galleries add to the cultural community of Sacramento.

Economic Development Incentive Program

The attraction of employers, capital investment and high value jobs, as well as the expansion and retention of existing businesses, is important to the prosperity and quality of life within the County. The County's economic development incentive program offers a mix of the following, applied on a case-by-case basis: 1) rebate of unsecured property taxes for a fixed number of years; 2) rebate of utility user taxes in excess of a set base amount; 3) rebate of sales tax in excess of a set base amount; 4) fee deferrals; 5) sewer credits; 6) exempt financing through industrial development bonds and other programs; 7) facilitated permit processing; 8) tax increment financing; and 9) other applicable incentives as appropriate. The County has three State-designated Enterprise Zones and two LAMBRA (Local Agency Military Base Recovery Areas), which provide significant incentives for businesses within their respective boundaries. These benefits include loss carryovers, accelerated depreciation of equipment, sales tax rebates on qualified equipment purchases, preference on state contracts and hiring tax credits.

Incentives are designed to avoid negative impact on existing revenue, in that the criteria apply to new or expanding operations and are available to offset significant private investment directly related to a long-term commitment to the area. The success of the overall incentive program is measured by the private capital investment for qualified projects, the direct creation of jobs, the generation of utility, property and sales taxes, and the attraction of support businesses, as well as indirect benefits to the economy from increased employment and investment. The County Economic Development Division is primarily responsible for developing and implementing this program.

Economic Development Accomplishments

Over the last ten years, the former McClellan Air Force Base has been redeveloped into McClellan Business Park, which contains approximately 10 million square feet of leasable building space, 70 percent of which currently has been leased. More than 14,500 employees representing 275 diverse private and public tenants work at McClellan Business Park, predominantly in manufacturing industries. Extensive infrastructure improvements designed to support future growth and redevelopment are moving forward, including the installation of a new sanitary sewer system, roadway projects and a more efficient stormwater drainage system. Redevelopment in McClellan Business Park is guided by a Reuse Plan created with extensive public input and Air Force participation. McClellan Business Park is the result of a public/private partnership involving the County, McClellan Business Park (the master developer), the U.S. Air Force, environmental regulators, an involved local community and supportive elected officials. At build-out, projected for 2020, 34,000 employees are anticipated to be working at McClellan Business Park.

The former Mather Air Force Base, now known as Mather Field, also continues to be redeveloped. The site now includes Mather Commerce Center (a business center for office uses) and Mather Airport (the air cargo hub of the region whose tenants include United Parcel Service). Other uses include the Governor's Office of Emergency Services Headquarters, the Sacramento Veterans Medical Center, the Mather Sports Center and the Mather Community Campus (a residential transitional housing site providing training, employment and housing for homeless individuals and families). In addition, the former base now includes a private residential development called Independence at Mather with approximately 1,300 new homes, and Mather Regional Park with an 18-hole golf course. At the time the base closure was announced in 1988 there were approximately 1,000 civilian employees working at Mather Air Force Base. Mather Field now has an estimated 50 tenants with approximately 4,500 employees, and public and private sector growth is expected to continue. In addition, the County has entered into an agreement to sell approximately 630 acres of

developable land to Mather South LLC to develop a mixed use development. Entitlements are in the development process and are expected to take approximately three years.

Siemens Transportation Systems, Inc., (STS) a subsidiary of German industrial conglomerate Siemens AG is responsible for manufacturing 33 percent of all light rail cars operating in North America, and over the past three years has garnered 60 percent of North America's new business. STS is investing approximately \$41 million to expand its manufacturing facility in the County, which is expected to be certified LEED Silver (meets Leadership in Energy and Environmental Standards for high energy efficiency). In addition, the company is planning a second round of expansion activity to support existing contracts and target new opportunities in high-speed rail that is anticipated to ultimately result in 350 or more new jobs. STS has also acquired 20 additional acres north of the expansion site to accommodate expected production demands worldwide. In 2011 Siemens secured three new contracts including a significant Amtrak contract to construct new cars for the US Northeast corridor routes.

Tesco Controls, Inc., a manufacturer of electronic signal control devices, has invested in a new headquarters and manufacturing facility in the County to support its growing business, with a new twelve-acre facility supporting over 250 manufacturing and engineering employees in 2010, that will also accommodate future growth in Tesco's electrical utility panels manufacturing operation for traffic and water controls.

The County has three Property and Business Improvement Districts (PBIDs) located within the unincorporated area within four defined commercial corridors. Within each PBID property owners vote to impose an assessment on property, the proceeds of which are used to provide services that benefit the district. Chief among these services are marketing and public relations efforts, road and transit improvements, undergrounding of utilities, increased security, zoning code education, district clean-up and landscaped road medians. These improve the business environment and result in increased employment and revenue generation for the County. Working in partnership, the PBIDs and the County have used the over \$7 million assessed in the last ten years to leverage approximately \$25 million in infrastructure improvements, which have spurred over \$130 million in private sector investment.

In the past year the news related to automobile sales has improved. The County has seen the addition of one new dealership, and there are two significant expansions underway that are expected to be completed in October of 2011. There are also two dealerships that have submitted building permit packages with construction expected to be completed in 2012. Auto sales continue to improve on a year-over-year comparison, but are still below historical averages.

The County is participating with a regional collaborative effort, Metro Pulse, to assist existing businesses succeed and grow. This effort is being coordinated by the Sacramento Metro Chamber of Commerce, and strategic partners include the counties of Sacramento, El Dorado, Placer and Yolo, and the cities of Sacramento, Folsom, Rancho Cordova, Roseville, West Sacramento and Lincoln, as well as the Los Rios Community College District, the Sacramento Municipal Utility District and the Sacramento Employment and Training Agency.

The Sacramento Training and Response Team (START), a consortium of more than 20 regional economic development, business, labor and government organizations, as well as employment and training specialists, was established over ten years ago to assist companies in recruiting and hiring qualified employees. START has been a major part of the region's efforts in attracting companies, and is the first and only one of its kind in the State. The Sacramento Employment and Training Agency is the coordinating agency of the START program, and has received a majority of the \$10 million dollars in federal stimulus funds it expected during the last two years to develop the County's workforce.

Current Economic Development Activity

The County continues to take proactive measures to attract, maintain and expand business in the unincorporated area. Notable accomplishments include the designation of an expanded Enterprise Zone with jurisdictional partners City of Rancho Cordova and City of Sacramento. The zone provides economic and financial incentives for companies to locate and expand in the unincorporated area. The County's focus on sustainable businesses resulted in the attraction of Zeta Communities, a builder of modular, zero energy homes which began production in 2010, and has recently added 40 new manufacturing jobs onsite and is employing over 100 individuals.

The County continues to attract light manufacturing companies including US Foods and N Solar. US Foods is expected to begin construction in spring of 2012 of a 500,000 square foot facility that will ultimately provide over 450 jobs when complete. N Solar's facility is under construction and it is expected to take possession of its new manufacturing facility in the first quarter of 2012, with the first phases employing approximately 130 people.

Raging Wire is expanding its data center, doubling its capacity and creating a 400,000 square foot campus with over \$55 million invested to meet continuing demand from their corporate clients. The expansion is anticipated to add 25 new employees to the company in 2011.

The County is actively recruiting businesses that are in the final stage of site selection. These include multiple manufacturing and distribution companies in final lease negotiations for over 575,000 square feet of new and existing space that is anticipated to add significant investment and employment.

Population

Sacramento County currently has seven incorporated cities: Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova and Sacramento, with 33 percent of the County’s population living in the City of Sacramento.

Sacramento County Breakdown of Population/Percent Increase

Area	1970	1980	1990	2000	2010	2011
Cities:						
Citrus Heights	---	---	---	85,071	83,267	83,618
Elk Grove	---	---	---	---	152,925	154,954
Folsom	5,810	11,003	29,802	51,884	72,201	72,439
Galt	3,200	5,514	8,889	19,472	23,641	23,767
Isleton	909	914	833	828	804	808
Rancho Cordova	---	---	---	---	64,413	65,502
Sacramento	257,105	275,741	369,365	407,018	466,279	469,566
Unincorporated Area:	367,349	409,209	632,330	659,226	553,529	558,601
Total:	634,373	783,381	1,041,219	1,223,499	1,417,059	1,429,255
% Increase over prior period:		23.49%	32.84%	17.50%	15.82%	<1.00%
State Population:	19,935,134	23,782,000	29,828,496	34,095,209	37,223,900	37,510,766
% Increase over prior period:		19.30%	25.42%	14.30%	9.17%	<1.00%

Sources: U.S. Census Bureau; 2011 from California Department of Finance.

Industry and Employment

Three major job categories comprised 71percent of the Sacramento Metropolitan Statistical Area (SMSA) work force during 2010: services (33 percent), government (26 percent), and wholesale/retail trade (12 percent), based on seasonally unadjusted December 2010 statistics, as summarized in the following table. The SMSA unemployment rate (not seasonally adjusted) as of July 2011 was at 12.5 percent, compared to the Statewide average of 12.4 percent; a slight decrease from the July 2010 SMSA rate (not seasonally adjusted) of 12.7 percent.

**Sacramento Metropolitan Statistical Area Labor Market Survey
Calendar Years 2006 to 2010
(Amounts Expressed in Thousands)**

Industry	2006	2007	2008	2009	2010
Mining	0.7	0.8	0.8	0.5	0.5
Construction	67.1	64.3	57.3	38.1	33.4
Manufacturing-Nondurable goods	12.9	12.0	11.9	11.6	11.3
Manufacturing-Durable goods	28.9	27.5	26.0	21.7	21.9
Transportation, Warehousing & Public Utilities	26.3	26.4	26.5	23.4	23.3
Information	20.4	20.2	19.1	18.1	16.7
Wholesale Trade	28.4	28.1	27.4	23.2	22.4
Retail Trade	105.2	103.8	97.8	89.2	87.7
Finance, Insurance, Real Estate	86.6	85.5	81.3	72.4	80.9
Services	332.6	338.7	337.7	305.3	298.2
Government	232.7	237.6	238.9	235.1	235.6
Agriculture	6.9	7.3	8.3	8.4	7.5
Other	53.6	51.2	56.6	67.6	63.8
Total:	1,002.3	1,003.4	989.6	914.6	903.2

Source: California State Employment Development Department; not seasonally adjusted; as of each end-December.

Major Employers

Major private sector employers in the Sacramento Metropolitan Statistical Area, their type of business and their number of full-time equivalent (FTE) employees in 2010, and major public sector employers in the County of Sacramento only, are detailed in the following two tables.

**Major Private Sector Employers 2010
(Sacramento Metropolitan Statistical Area)**

Company	Type of Business	No. of FTE Employees
Wells Fargo	Financial Services	11,898
Kaiser Permanente	Health Care	9,932
Sutter Health	Health Care	9,609
Mercy/Catholic Healthcare West	Health Care	7,107
Intel Corporation	Semiconductor Manufacturer	6,147
Hewlett-Packard	Computer Hardware Manufacturer	3,500
Health Net Inc.	Health Care	2,440
Cache Creek Casino Resort	Leisure & Hospitality	2,376
Pacific Gas & Electric	Natural Gas and Electric Utility	2,060
Thunder Valley Casino Resort	Leisure & Hospitality	2,025

Source: Sacramento Business Journal; as of December 2010.

**Major Public Sector Employers – Sacramento
County Only 2010**

Company	Number of FTE Positions
State of California	73,243
Sacramento County	11,260
UC Davis Health System	8,500
Elk Grove Unified School District	6,391
Sacramento Municipal Utility District	5,057
San Juan Unified School District	4,900
Sacramento City Unified School District	4,500
Los Rios Community College District	4,450
City of Sacramento	4,374
California State University Sacramento	2,386
Folsom Cordova Unified School District	1,850

Source: Sacramento Business Journal Annual 2010 Book of Lists; as of July 2010.

Taxable Transactions Activity

Commercial activity contributes to the County's unincorporated area economy. Since 2005 total taxable sales have declined approximately 23 percent. The County is projecting for budget purposes for Fiscal Year 2011-12 that sales tax revenues will increase by approximately 5.7 percent over Fiscal Year 2010-11 actual revenues, mainly due to the County sharing in an increase in a Statewide sales tax pool commonly known as "triple-flip" payments from the State. In addition, the County receives sales tax-based revenues from a share of Statewide pools in the form of Proposition 172 half-cent sales tax dedicated to public protection activities, and Realignment revenues dedicated to social services programs.

**SACRAMENTO COUNTY UNINCORPORATED AREA
Total Taxable Transactions Calendar Year 2004 through 2010
(Amounts Expressed in Thousands)**

Category	2004	2005	2006	2007	2008
Apparel Stores	\$160,128	\$180,560	\$185,423	\$179,919	\$164,575
General Merchandise Stores	578,989	607,700	630,673	609,932	617,280
Specialty Stores	907,190	1,025,843	1,022,243	1,054,431	883,809
Food Stores	339,642	351,710	361,808	373,952	368,161
Packaged Liquor Stores	47,175	48,465	47,924	48,014	47,953
Eating and Drinking Places	512,004	529,593	535,006	541,218	531,328
Home Furnishings, Appliances	324,171	310,709	253,430	215,511	170,718
Building Materials, Farm Implements	871,644	912,591	827,099	724,757	601,881
Service Stations	511,858	600,454	612,478	629,289	702,841
Automobile, Boat, Motorcycle, Plane Dealers and Parts Outlets	1,271,681	1,179,871	1,098,224	978,595	724,091
Total Retail Outlets:	\$5,524,482	\$5,747,496	\$5,574,308	\$5,355,614	\$4,812,637
Business & Personal Services	146,100	146,495	141,485	141,968	128,435
All Other Outlets	1,172,110	1,313,343	1,423,891	1,251,543	1,471,656
Total All Outlets:	\$6,842,692	\$7,207,334	\$7,139,684	\$6,749,129	\$6,412,728

Source: MuniServices LLC.

Data source changed in 2009 to The HdL Companies, changing the Category grouping as follows:

Category	2009	2010
Autos and Transportation	\$942,614	\$925,472
Building and Construction	742,477	667,999
Business and Industry	666,587	721,310
Food and Drugs	365,855	361,728
Fuel and Service Stations	720,859	807,266
General Consumer Goods	1,363,374	1,273,287
Restaurants and Hotels	519,606	510,538
Transfers/Adj/Other	2,134	(334)
Total:	\$5,323,506	\$5,267,266

Construction Activity

The value of building permits issued in the County totaled \$708,909,000 in 2010, a decrease of 6 percent from the prior year. The value of nonresidential building permits remained fairly constant from 2005 through 2007, spiking in 2008 with an almost 50 percent increase from 2007 levels, before falling in 2009 and 2010 by 60 percent from the 2008 level. The value of residential permits from 2005 to 2010 reflects a 81 percent decrease from the height of the housing market. The numbers of permits for new dwelling units issued each year from 2005 through 2010 reflect corresponding decreases.

Transportation

**Building Permit Valuations
Calendar Year 2005 through 2010
(Amounts Expressed in Thousands)**

Valuation:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	\$2,050,782	\$1,172,892	\$961,888	\$681,318	\$396,103	\$382,892
Nonresidential	527,308	592,330	600,632	897,092	356,605	326,017
Total:	\$2,578,090	\$1,765,222	\$1,562,520	\$1,578,410	\$752,708	\$708,909
New Dwelling Units:						
Single Family	7,168	3,677	2,764	1,692	754	630
Multiple Family	757	1,017	146	18	8	50
Total:	7,925	4,694	2,910	1,710	762	680

Source: Sacramento County Assessor's Office.

The County's location and transportation network have contributed to the County's economic growth. The County is traversed by the main east-west and north-south freeways serving northern and central California. Interstate 80 connects Sacramento with the San Francisco Bay Area, Reno, Nevada, and points east. U.S. Highway 50 carries traffic from Sacramento to the Lake Tahoe Area. Interstate 5 is the main north-south route through the interior of California; it runs from Mexico to Canada. California State Highway 99 parallels Interstate 5 through central California and passes through Sacramento.

Transcontinental and intrastate freight rail service is provided by the Union Pacific Railroad. Passenger rail service is provided by AMTRAK. Bus lines offering intercity as well as local service include Greyhound and Sacramento Regional Transit. Regional Transit also operates an approximately 37-mile light rail system.

The Port of Sacramento provides direct ocean freight service to all major United States and world ports, shipping approximately 870,000 tons of cargo annually. It is a deep-water ship channel, located 79 nautical miles northeast of San Francisco. The three major rail links serving Sacramento connect with the Port, and Interstate 80 and Interstate 5 are immediately adjacent to the Port.

The County Airport System provides for the planning, development and operation of public air transportation facilities serving Sacramento County and adjoining areas. The Airport System consists of Sacramento International Airport, which as of July 2011 had 13 passenger airlines and two all-cargo airlines, serving approximately 4.5 million enplaned passengers annually, Executive Airport and Franklin Field for general aviation and Mather Airport for air cargo and general aviation. In 2008, the Sacramento International Airport began construction of a Terminal Modernization Program to address future capacity needs through at least 2020, which will include a new 19-gate Concourse B (netting

seven additional gates) and a new landside Terminal B. The new facilities are expected to be operational in October 2011.

Sacramento County voters passed a ballot measure in November of 1988 providing for collection of an additional 1/2 cent sales tax to be used exclusively for transportation and air quality projects. Ballot language specified formula distribution: (1) for the cities and unincorporated area of the County; (2) for projects to reduce air pollution; and (3) for mass transit improvements. The original expiration date for the additional 1/2 cent sales tax was 2009, but in 2004 the County voters approved, by 75.29 percent, extending this 1/2 cent sales tax for an additional 30 years to 2039.

Agriculture

According to the annual Sacramento County Crop & Livestock Report published by the County Agricultural Commissioner, the total Sacramento County crop production for 2009 was \$348,581,000, representing a three percent reduction from 2008 values, and is the second year in a row of modest reductions, down \$9.7 million from the previous year and \$16.3 million from the record highs in 2007. The top two crop production values in the County during 2009 were wine grapes and milk production. The County continues to lead the state in Bartlett Pear production.

Education

The Sacramento region benefits from a network of over 700 public and private elementary to high schools educating approximately 400,000 students. Sacramento County alone has numerous public school districts with approximately 385 schools serving an estimated 240,000 students within the K-12 level.

The Los Rios Community College District serves the majority of Sacramento County, as well as portions of El Dorado, Placer, Yolo and Solano Counties, with four main campuses enrolling over 85,000 students. The four campuses are: American River College, Sacramento City College, Cosumnes River College, and Folsom Lake College. Sierra College also serves the area with an enrollment of approximately 21,000, as well as Yuba College with an enrollment of approximately 11,000. Schools offering vocational education include Carrington College, Anthem College, Heald College, ITT Technical Institute, and WyoTech.

In the Sacramento area roughly 29 percent of the adult population has a Bachelor's degree or higher, compared to 27 percent nationwide and 29 percent Statewide. Higher education is available from a variety of institutions throughout the area. Primary among these institutions are the University of California, Davis (UCD), and California State University, Sacramento (CSUS).

UCD offers four colleges, six professional schools, more than 100 academic majors and 90 graduate programs, serving 32,000 students. UCD Health System is one of five health systems within the University of California, and is an integrated, academic health system consisting of the UCD School of Medicine, the 577-bed, acute-care hospital and clinical services of UCD Medical Center, and the 800-member physician group known as UCD Medical Group. The UCD Health System also includes a National Cancer Institute-designated cancer center, a comprehensive children's hospital and a Level I trauma center. UCD currently ranks sixth among U.S. universities based on contributions to society (Washington Monthly) and tenth in research spending among public universities nationwide (National Research Council). It is one of sixty-three North American universities admitted into the prestigious Association of American Universities, and U.S. News & World Report ranks UCD as ninth among public universities nationwide. CSUS enrolls 29,000 undergraduate and graduate students, and graduates approximately 6,000 students each year. The university has an annual economic impact on the region of nearly \$930 million and 16,000 jobs. CSUS has one of the largest cooperative education programs in California, placing students in paid positions where they receive academic credit. Hundreds of other students serve internships in business and government, and a

third of CSUS students work as volunteers, many through a service learning project in class, gaining valuable work experience while helping their community. CSUS also has a number of programs that serve the community including the Center for Small Business, the Office of Water Programs, the Center for Collaborative Policy, the Institute for Social Research and the Community Engagement Center.

The region also has a number of branches of private colleges headquartered outside the Sacramento region, including National University, University of San Francisco, University of Southern California and Drexel University Center for Graduate Studies. Two major law schools are the University of the Pacific McGeorge School of Law, recognized as a leader in the field of law education, and the UC Davis School of Law. A recent new addition to the region is Drexel University.